

George A. Makinson  
O. Gaylord Marsh  
Lester Maynard  
Myrl S. Myers  
John R. Putnam  
Emil Sauer  
Hugh H. Watson  
George L. Brandt  
Charles Bridgham Hosmer  
John D. Johnson  
Henry H. Balch  
Walter F. Boyle  
Parker W. Buhrman  
Ralph C. Busser  
Harold D. Clum  
Leslie A. Davis  
Edwin Carl Kemp  
Dayle C. McDonough  
Lucien Memminger  
Harold B. Quarton  
Walter H. Sholes  
Alfred R. Thomson  
Richard F. Boyce  
Richard P. Butrick  
Cecil M. P. Cross  
Hasell H. Dick  
John W. Dye  
Louis H. Gourley  
Edward M. Groth  
Robert W. Heingartner  
Frank Anderson Henry  
George D. Hopper  
James Hugh Keeley, Jr.  
William R. Langdon  
Robert D. Longyear  
Robert B. Macatee  
Charles J. Pisar  
John Randolph  
George P. Shaw  
Samuel Sokobin  
Harold S. Tewell  
Henry S. Waterman  
Henry M. Wolcott  
Lawrence S. Armstrong  
Roy W. Baker  
William E. Beitz  
Sidney A. Belovsky  
William A. Bickers  
Ellis A. Bonnet  
Roy E. Bower  
Howard A. Bowman

Edward Caffery  
Augustus S. Chase  
Warren M. Chase  
Alexander P. Cruger  
Ernest E. Evans  
Harvey T. Gcodier  
Franklin C. Gowen  
Leonard N. Green  
Knowlton V. Hicks  
Frederick W. Hinke  
Carlton Hurst  
John B. Ketcham  
Henry A. W. Beck  
Kenneth C. Krentz  
Rufus H. Lane, Jr.  
Harvey Lee Milbourne  
Hugh S. Miller  
Nelson R. Park  
James E. Parks  
Joseph P. Ragland  
Albert W. Scott  
Winfield H. Scott  
George E. Seltzer  
Horace H. Smith  
Harry E. Stevens  
Alan N. Steyne  
Mason Turner  
Robert S. Ward  
George H. Winters  
Lloyd D. Yates  
Gordon L. Burke  
Horace J. Dickinson  
Edmund J. Dorsz  
Andrew W. Edson  
Carlos C. Hall  
Monroe B. Hall  
Thomas A. Hickok  
Phil H. Hubbard  
Charles A. Hutchinson  
Robert Janz  
John S. Littell  
Odin G. Loren  
Edward S. Maney  
Harold B. Minor  
James B. Pilcher  
Hugh F. Ramsay  
Edward B. Rand  
Joseph I. Touchette  
Walter N. Walmsley, Jr.  
Thomas C. Wasson  
John H. Madonne

## TO BE CONSULS GENERAL

Harold H. Tittmann, Jr.  
Joseph Flack

## TO BE CONSULS

H. Freeman Matthews  
George R. Merrell, Jr.  
Hugh Millard  
Walter H. Schoellkopf

## DEPARTMENT OF THE NAVY

William R. Furlong to be Chief of the Bureau of Ordnance, Department of the Navy.

## FEDERAL BOARD FOR VOCATIONAL EDUCATION

Clarence Poe to be a member of the Federal Board for Vocational Education.

## APPOINTMENTS IN THE REGULAR ARMY

## MEDICAL CORPS

## To be first lieutenants

Harold Robert Carter  
Philip Wallace Mallory  
Jacob Hal Bridges  
Romeyn James Healy, Jr.  
John Robert McGraw  
Charles Harold Gingles

## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

## TO QUARTERMASTER CORPS

First Lt. Clarence David McGowen.  
First Lt. Andrew Thomas McNamara.

## PROMOTIONS IN THE REGULAR ARMY

Olin Harrington Longino to be colonel, Coast Artillery Corps.  
Peter Hill Ottosen to be colonel, Coast Artillery Corps.  
William Ewen Shipp to be lieutenant colonel, Cavalry.  
Carl Smith Doney to be lieutenant colonel, Coast Artillery Corps.  
Neal Creighton to be major, Air Corps.  
Alonzo Maning Drake to be major, Air Corps.

## APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Walter Perry Story to be major general, National Guard of the United States.  
Lewis Bacon Ballantyne to be brigadier general, National Guard of the United States.  
Harcourt Hervey to be brigadier general, National Guard of the United States.

## WITHDRAWALS

*Executive nominations withdrawn from the Senate August 12 (legislative day of Aug. 9), 1937*

## POSTMASTERS

## LOUISIANA

Jesse D. McBride to be postmaster at Bastrop, in the State of Louisiana.  
Virgil N. McNeely to be postmaster at Colfax, in the State of Louisiana.

## HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 12, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Father, we pray Thee that we may cherish the greatest of gifts—a thankful heart. The emotion of gratitude is often too deep for words, only for expressive silence. We praise Thee that every blessing is a mercy from Thy bountiful hand. Inspire us to respond to Thy generous earth—the radiant, vitalizing sky with its manifold treasures of light and darkness. Thou hast greatly enriched the world with the river of God. Gracious Lord, life at times seems hard, unfair, and its claims excessive, but we rejoice that beneath all there is One eternally good and just. We pray Thee that our spiritual natures may not be dimmed either by disobedience or indifference. O Thou who takest away the sins of the world, assure us that we are not forsaken but forgiven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2281) entitled "An act to regulate proceedings in adoption in the District of Columbia", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints

Mr. KING, Mr. OVERTON, and Mr. CAPPER to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. BIGELOW. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on Tuesday next following the special orders heretofore ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House at this time for 10 minutes.

Mr. O'BRIEN of Illinois. I object, Mr. Speaker.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, and I do not intend to object, the gentleman from Kansas [Mr. LAMBERTSON] has been addressing the House for 1 or 2 minutes and then placing in the RECORD as an extension of remarks information that is coming to him from people in my city. So far as I know, the gentleman has never made any investigation to determine whether or not the statements furnished him were correct. I do not propose to get in a controversy with the gentleman on the subject, but it does seem to me that he should make some inquiry before accepting everything that is submitted to him.

Mr. Speaker, it was necessary for me to secure permission to extend my remarks because I had not completed my statement when taken off my feet by the demand for the regular order and the objection to the gentleman proceeding. About 2 years ago I stated my views on this subject when requested to do so by the gentleman from Wisconsin [Mr. SAUTHOFF]. I had not intended to make any further comment. My statement then explained my position.

Those opposing the grant by the Government for the Louisiana Purchase memorial project in St. Louis have taken the matter to the Federal courts. An injunction was sought and denied. The papers stated a few days ago another phase of the matter has been submitted to the United States District Court in St. Louis. It is true as the gentleman from Kansas has stated on several occasions that the question of opening the ballot boxes which contain the ballots cast in the bond-issue election is before the Supreme Court of Missouri.

What I wanted to comment on today when deprived of the opportunity was the resolution introduced by the gentleman from Kansas. This resolution provides for a congressional investigation of this project. I wanted to call the gentleman's attention to the fact that six Members of Congress are members of this Commission or I might say five Members of the present Congress and one Member of the Seventy-fourth Congress who was not returned to the present Congress. Two are Members of the House today, one a member of the gentleman's party, and three are Members of the Senate, one a Republican. Aside from this it so happens that William Allen White, a distinguished Republican from the gentleman's own State and a close personal friend of the gentleman, is likewise a member of the Commission. It will be seen that the gentleman desires to investigate Members of Congress as well as his personal friend. I have tried to learn if the gentleman from Kansas has consulted any of the Members of the House or Senate and discussed the matter with them. So far I have not found one that he has talked to. The gentleman himself advised me that his friend Mr. White had written him about the project and indicated, according to the gentleman's own statement, that he, Mr. White, did not agree with some of the remarks credited to him in the CONGRESSIONAL RECORD.

There is but one other reference I desire to make and that is I know that a most honorable and trusted employee of the National Park Service has been assigned to handle this project insofar as seeing that there is absolutely no fraud in connection with the amount paid for land in this area. If there is one thing everyone, Republican and Democrat, most agree on, it is that the Secretary of the Interior, Mr. Ickes, is an honest man and he will see to it that there is no scandal

connected with the purchase of the land. I read in the paper the other day that steps had been taken to secure all the land by condemnation proceedings through the Federal court. In other words no private purchases. It is not my purpose to object to the gentleman extending his remarks but I do hope that he will in the future read with care what is furnished him before placing the matter in the RECORD.

Mr. RICH. Regular order, Mr. Speaker.

Mr. O'BRIEN of Illinois. I object, Mr. Speaker.

Mr. LAMBERTSON. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Allen, La.	Eaton	Kramer	Simpson
Atkinson	Ellenbogen	Lemke	Sirovich
Biermann	Farley	Lord	Smith, Conn.
Blinderup	Fernandez	Luckey, Nebr.	Smith, Maine
Brewster	Fish	McGroarty	Smith, Va.
Buckley, N. Y.	Fulmer	McLean	Smith, W. Va.
Bulwinkle	Garrett	Maas	Starnes
Cannon, Wis.	Gasque	Meeks	Sullivan
Carter	Gilchrist	Mills	Taylor, Colo.
Case, S. Dak.	Goldsborough	Mitchell, Ill.	Teigan
Chapman	Gray, Ind.	Mouton	Thomas, N. J.
Clason	Hartley	O'Brien, Mich.	Vinson, Ga.
Crosby	Havener	O'Neal, Ky.	Wadsworth
Crowther	Hill, Ala.	Palmisano	White, Idaho
Culkin	Hoffman	Pfeifer	Wigglesworth
Deen	Keller	Phillips	Wilcox
Dirksen	Kleberg	Rees, Kans.	Withrow
Douglas	Kloeb	Sadowski	Wood

The SPEAKER. Three hundred and fifty-seven Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. LAMBERTSON. Reserving the right to object, Mr. Speaker—

Mr. MILLS. I hope the gentleman will not object to my having 1 minute.

Mr. LAMBERTSON. Reserving the right to object, and I may not object, but I do want to say that on Tuesday I asked for 5 minutes at the close of the day and the majority leader denied me the 5 minutes. I waited until the close of the day last night, and the gentleman from Chicago denied me the privilege of speaking for 10 minutes. I sat in this House for 6 years before I ever addressed the Chair, and I am going to insist on having 10 minutes this morning, so I object.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a short address by Dr. Walker, president of Wilberforce University, on the subject President Roosevelt, the Minimum-Wage Bill, and the Negro.

Mr. LAMBERTSON. Mr. Speaker, I am sorry, but I shall have to object.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks by including a brief tribute to our late Speaker, Joseph W. Byrns.

Mr. LAMBERTSON. I am sorry, but, to be consistent, I shall have to object, Mr. Speaker.

Mr. ASHBROOK. These are my own remarks, I may say to the gentleman.

Mr. LAMBERTSON. I object, Mr. Speaker.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

Mr. LAMBERTSON. I object, Mr. Speaker.



## PERMISSION TO ADDRESS THE HOUSE

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. RICH. Mr. Speaker, reserving the right to object, I may say that I was on the floor of the House night before last when the gentleman from Kansas [Mr. LAMBERTSON] asked for 5 minutes, which was denied. I was here last night when we granted the gentleman from Mississippi [Mr. McGEHEE] 20 minutes, and then we extended his time 10 minutes, and then extended his time further. The gentleman from Kansas waited until the gentleman from Mississippi had concluded his remarks and then tried to get time, but there was objection. I think the gentleman is taking the proper course to get recognition in the House of Representatives. There is no reason under the heavens why he should have been denied time when the House was ready to adjourn. I think the gentleman is only asserting the rights that should belong to any Member of the House, because he waited until the House had been in session until nearly 5 o'clock before submitting his request.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. I object, Mr. Speaker.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. LAMBERTSON] have 10 minutes in which to address the House.

Mr. EDMISTON. Mr. Speaker, I object.

Mr. O'BRIEN of Illinois. Mr. Speaker, I object.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table and all other business today I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I reserve the right to object.

Mr. LAMBERTSON. Mr. Speaker, I shall have to object.

## RIVER AND HARBOR BILL, 1938

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes which I send to the desk.

The SPEAKER. The gentleman from Texas calls up the conference report on the river and harbor bill, which the Clerk will report.

The Clerk read the conference report.

The conference report and statement are as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

That the Senate recede from its amendment numbered 5.

The committee of conference recommends the transfer of amendment numbered 47 to page 23 after line 10; and the transfer of amendment numbered 48 to page 23, after line 24.

J. J. MANSFIELD,  
RENÉ L. DE ROUEN,  
GEORGE N. SEGER,  
ALBERT E. CARTER,

*Managers on the part of the House.*

ROYAL S. COPELAND,  
MORRIS SHEPPARD,  
CHARLES L. McNARY,

*Managers on the part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following written statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House authorized new work the total estimated cost of which was \$33,687,175.

The amount added by amendment in the Senate was \$20,014,350.

*Senate amendments to H. R. 7051, involving new authorizations for river and harbor work*

Amount carried in H. R. 7051 as passed by the House. \$33,687,175  
Estimated cost of projects to be considered by Senate

Commerce Committee:

Sandy Hook Bay, N. Y.	768,750
Indian River Inlet and Bay, Del.	283,000
Susquehanna River, Havre de Grace, Md.	1,000
Intracoastal Waterway from Apalachicola Bay to Withlacoochee River, Fla.	480,000
Clearwater Harbor, Fla.	15,000
Mobile Harbor, Ala.	76,000
Calcasieu River and Pass, La.	9,260,000
Bayou Dupre, La.	52,000
Bayous La Loutre, St. Malo, and Yscloskey, La.	48,000
Texas City Channel, Tex.	112,000
Racine Harbor, Wis.	72,600
Mississippi River at Minneapolis, Minn.	5,000,000
Monroe Harbor, Mich.	200,000
Sacramento River, Calif.	2,500,000
Sitka Harbor, Alaska.	160,000
San Juan Harbor, P. R.	533,000
Arecibo Harbor, P. R.	468,000

53,716,525

The Senate made 17 amendments to section 1 of the bill, which authorizes new improvement work. These amendments covered the adoption of new reports received since the Committee on Rivers and Harbors closed its consideration of the bill, except amendment no. 5, authorizing an appropriation of \$15,000 for dredging in Clearwater Harbor, Fla., from which the Senate conferees receded. As the result of the conference the amount authorized by the bill for new work is reduced to \$53,701,525.

The remaining amendments relate to survey items and verbal amendments, on all of which the House conferees receded.

On amendment no. 1, page 3: Corrects a typographical error.

On amendment no. 2, page 4: Sandy Hook Bay off Atlantic Highlands, N. J. Item adopts new project recommended by the Chief of Engineers for the construction of a rubble-mound breakwater about 4,000 feet in length and the dredging of an area inside this breakwater to a depth of 8 feet. Estimated cost, \$850,000. Local interests to contribute \$81,250. House conferees recede.

On amendment no. 3, page 4: Indian River Inlet and Bay, Del. Item adopts new project recommended by the Chief of Engineers for the construction of parallel jetties 500 feet apart in the inlet and the dredging of a channel 200 feet wide and 15 feet deep from near ends of jetties to a point in the bay about 7,000 feet from the ocean shore line. Estimated cost, \$443,000. Local interests to contribute 50 percent of initial cost, but not to exceed \$220,000. House conferees recede.

On amendment no. 4, page 4: Susquehanna River at Havre de Grace, Md. Item adopts project recommended by the Chief of Engineers for the maintenance of the existing small-boat harbor below Concord Point, 400 feet long, 380 feet wide, and 7 feet deep, with approach channel of the same depth, 75 feet wide, leading to deep water off Concord Point. Estimated annual cost, \$1,000. House conferees recede.

On amendment no. 5, page 8: Clearwater Harbor, Fla. Item adopts a project not favorably reported on by the Chief of Engineers, for experimental maintenance dredging, local interests to pay half the cost. Estimated cost to the United States not to exceed \$15,000. Senate recedes.

On amendment no. 6, page 9: Intracoastal waterway from Apalachicola Bay to St. Marks River, Fla. Item adopts project recommended by the Chief of Engineers for construction of a channel 9 feet deep and 100 feet wide from Apalachicola Bay to St. Marks River, Fla. Estimated cost, \$480,000. House conferees recede.

On amendment no. 7, page 9: Mobile Harbor, Ala. (Rivers and Harbors Committee Doc. No. 44, 75th Cong.). Item adopts new project recommended by the Chief of Engineers for widening the existing channel in Mobile River below highway bridge to 500 feet throughout its length. Estimated cost, \$76,000. House conferees recede.

On amendment no. 8, page 9: Bayous La Loutre, St. Malo, and Yscloskey, La. Item adopts new project recommended by the Chief of Engineers for a channel 5 feet deep and 40 feet wide from deep water in Lake Borgne to shore line at mouth of Bayou Yscloskey, a channel 6 feet deep and 40 feet wide from deep water in Lake Borgne through Bayous St. Malo, La Loutre, and Elol to deep water in Lake Elol, and the removal of snags. Estimated cost, \$48,000. House conferees recede.

On amendment no. 9, page 9: Bayou Dupre, La. Item adopts new project recommended by the Chief of Engineers for a channel 6 feet deep from Highway Bridge at Violet, La., to deep water in Lake Borgne, with widths of 80 feet in canal and bayou and 100 feet in the lake with turning basin 100 feet wide and 200 feet long at bayou. Estimated cost, \$52,000. House conferees recede.

On amendment no. 10, page 10: Calcasieu River and Pass, La. Item adopts new project recommended by the Chief of Engineers for a channel 30 feet deep and 250 feet wide from the wharves of Lake Charles Harbor and Terminal district to the Gulf of Mexico by way of Calcasieu River. Estimated cost \$5,860,000. And for the extension of the jetties to the 15-foot contour, if found advisable to reduce maintenance-dredging costs. Estimated cost, \$3,400,000. House conferees recede.



On amendment no. 11, page 10: Texas City Channel, Tex. Item adopts new project recommended by the Chief of Engineers for the extension of the harbor basin 1,000 feet to the southward at present depth of 34 feet and width of 800 feet. Estimated cost, \$112,000. House conferees recede.

On amendment no. 12, page 10: Corrects a typographical error.

On amendment no. 13, page 11: Item adopts project for extending the 9-foot channel of the upper Mississippi River project above St. Anthonys Falls, Minneapolis, Minn., the improvement being needed so that more adequate terminal facilities can be provided. The plans of improvement are to be subject to the final approval of the Board of Engineers for Rivers and Harbors. The following is a letter from Brig. Gen. G. B. Pillsbury, Acting Chief of Engineers, United States Army, regarding this amendment:

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF ENGINEERS,  
Washington, August 10, 1937.

Hon. JOSEPH J. MANSFIELD,

Chairman, Committee on Rivers and Harbors,

House of Representatives, Washington, D. C.

MY DEAR JUDGE MANSFIELD: In reply to your letter of August 7, I take pleasure in furnishing you a statement showing the estimated cost and the kind of work involved in the project covered by amendment no. 13 to the river and harbor authorization bill, H. R. 7051, providing for the extension of the 9-foot channel in the Mississippi River above St. Anthonys Falls, in accordance with the plan contained in House Document No. 137, Seventy-second Congress, first session, subject to such changes as may be found advisable by the Chief of Engineers, and the final approval of the plan by the Board of Engineers for Rivers and Harbors as necessary to provide adequate terminal facilities for Minneapolis.

The Mississippi River flows through the lower portion of the city of Minneapolis in a deep gorge which restricts access to the river. This gorge terminates at the Falls of St. Anthony, above which the banks of the river are low and suitable for terminal development. The plan for improvement of this section contained in House Document No. 137, Seventy-second Congress, provided for the construction of two locks and channel excavation to afford a channel 9 feet in depth at an estimated cost of \$6,384,500 for the construction work to be undertaken by the United States, and a total of \$646,000 for bridge changes to be borne by the bridge owners. The report concluded that the costly industrial works required to carry navigation above St. Anthonys Falls were not then justified.

The Board of Engineers for Rivers and Harbors was requested by a resolution of the Committee on Commerce of the United States Senate adopted June 6, 1935, to review this item of the report with a view to determining if any modification of the conclusions therein with respect to this item is advisable at the present time. After a further study of the improvement, the district engineer presented a revised plan and estimates, including the locks in the upper and lower falls, respectively, at an estimated construction cost of \$4,480,000 for the United States, \$391,000 for the city of Minneapolis in lowering a water main and providing movable spans and three highway bridges, and at an estimated cost of \$255,000 by the owners of the two railroad bridges to provide removable spans therein. The district and division engineers did not recommend the improvement. After a hearing before the Board, the division engineer was requested to give further engineering study to the report. His final report is not yet received.

The information before the Department indicates that the 9-foot channel, with two single locks, could be provided to reach the upper portion of the river in Minneapolis, at a cost to the United States of not to exceed \$5,000,000.

Sincerely yours,

G. B. PILLSBURY,

Brigadier General, Acting Chief of Engineers.

On amendment no. 14, page 12: Racine Harbor, Wis. Item adopts new project recommended by the Chief of Engineers for the removal of shoals one-half mile lakeward of the harbor entrance to a minimum depth of 25 feet, widening outer harbor basin on the southward to a total width of 825 feet and depth of 19 feet, with suitably increased depth at the entrance, and dredging the channel in Root River below the Fourth Street bridge to a depth of 19 feet and general widths of 95 to 190 feet. Estimated cost \$72,600. House conferees recede.

On amendment no. 15, page 12: Monroe Harbor, Mich. Item adopts project recommended by the Chief of Engineers for the modification of the present project to provide that the contribution by local interests toward the initial cost of the improvement shall total \$300,000, payable in annual installments of \$50,000. House conferees recede.

On amendment no. 16, page 13: Sacramento River flood control, California. Item adopts new project recommended by the Chief of Engineers for the construction by the United States of bank-protection works and levee set-backs substantially as included in the 5-year program recommended by the California Debris Commission and the maintenance, during construction of these works, of the enlarged river channel below Cache Slough, including the revetment of the banks of the cut. Estimated cost, \$2,500,000. House conferees recede.

On amendment no. 17, page 15: Sitka Harbor, Alaska. Item adopts new project recommended by the Chief of Engineers for a small-boat basin, 10 feet deep and approximately 6½ acres in area, protected by about 1,900 feet of rock-mound breakwaters. Estimated cost, \$160,000. House conferees recede.

On amendment no. 18, page 15: San Juan Harbor, P. R. Item adopts new project recommended by the Chief of Engineers for widening the Anegado Reach between entrance channel and anchorage basin to afford a channel 30 feet deep with width decreasing from 1,200 feet at its outer end to 1,000 feet near the anchorage basin, and for enlarging the anchorage basin to afford an additional area of 90 acres, with a depth of 30 feet. Estimated cost, \$633,000. Local interests to contribute \$100,000. House conferees recede.

On amendment no. 19, page 15: Arecibo Harbor, P. R. Item adopts new project recommended by the Chief of Engineers for an entrance and approach channel and a maneuvering area of 25 feet depth protected on the north by a stone breakwater. Estimated cost, \$756,000. Local interests to contribute \$288,000. House conferees recede.

On amendment no. 20, page 15: Corrects a typographical error.

On amendment no. 21, page 18: Project for the construction of the Marshall Ford Dam wholly adopted by striking out words "first stage", which only partially adopted this work.

#### Preliminary examination and survey items

On amendment no. 22: Northeast Harbor, Maine.

On amendment no. 23: Presumpscot Harbor, Maine.

On amendment no. 24: Portland Harbor, Maine, north of House Island, to determine advisability of removing shoal.

On amendment no. 25: Ipswich River, Mass.

On amendment no. 26: Clinton Harbor, Conn.

On amendment no. 27: Waterway from Albany to Schenectady, N. Y., by way of Hudson and Mohawk Rivers, with a view to securing a depth of 27 feet and suitable width.

On amendment no. 28: Baltimore Harbor and Channels, Md.

On amendment no. 29: Channels to and near Jefferson Islands, Chesapeake Bay, Md., with a view to their establishment as an aid to navigation and the establishment of a harbor of refuge.

On amendment no. 30: Folly Creek, Accomac County, Va.

On amendment no. 31: Woods Creek, Middlesex County, Va.

On amendment no. 32: Dolls Creek, N. C.

On amendment no. 33: Channel from Edenton Bay, N. C., into Pembroke Creek to United States Fish Hatchery.

On amendment no. 34: Indian River (Vero Beach), St. Johns River Waterway, Fla.

On amendment no. 35: Caloosahatchee River and Lake Okeechobee drainage areas, Florida, with a view to constructing additional levees between Kissimmee River and Fisheating Creek.

On amendment no. 36: Bayou Teche, La. Upper portion with a view to improvement in the interest of navigation and flood control.

On amendment no. 37: Colorado River and its tributaries, Tex., with a view to its improvement in the interest of navigation and flood control.

On amendment no. 38: Goose Creek, Tex. Deep-water channel and port.

On amendment no. 39: Arroyo Colorado, Tex. A channel from a point at or near Mercedes, Tex., to its mouth, thence south in Laguna Madre to Port Isabel.

On amendment no. 40: Survey of channel for the purposes of navigation from Jefferson, Tex., to Shreveport, La., by way of Jefferson-Shreveport Waterway, thence by way of Red River to mouth of Red River in the Mississippi River, including advisability of water-supply reservoirs in Cypress River and Black Cypress River above head of navigation.

On amendment no. 41: Brazos River, Tex. A comprehensive survey with a view to preparing plans, estimates of the cost of improvements for navigation, flood control, water conservation, and reclamation, excluding therefrom work now in progress under the Works Progress Administration. The expense of such survey shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

On amendment no. 42: Allens Creek, a tributary of the Brazos River in Austin County, Tex., in the interest of navigation and of flood control.

On amendment no. 43: Mill Creek, a tributary of the Brazos River in Austin County, Tex., in the interest of navigation and of flood control.

On amendment no. 44: Navidad River, Tex., in the interest of navigation and of flood control.

On amendment no. 45: Lavaca River, Tex., in the interest of navigation and of flood control.

On amendment no. 46: Channel or channels across Padre Island, Tex., from Laguna Madre to the Gulf of Mexico.

On amendment no. 47: Canal from Ouachita River to Huttig, Ark.

On amendment no. 48: Saginaw Bay, Mich.

On amendment no. 49: Erie Harbor, Pa. Beach no. 2.

On amendment no. 50: Rochester (Charlotte) Harbor, Genesee River, N. Y.

On amendment no. 51: Necanicum River, Oreg.

On amendment no. 52: Port Angeles Harbor, Wash.

The House conferees recede on all survey items.

J. J. MANSFIELD,  
RENÉ L. DEROUEN,  
GEORGE N. SEGER,  
ALBERT E. CARTER,

Managers on the part of the House.



Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. RICH. Take amendment no. 29:

Channels to and near Jefferson Island, Chesapeake Bay, Md., with a view to their establishment as an aid to navigation and the establishment of a harbor of refuge.

Will the chairman of the committee inform us whether that harbor of refuge is to be a harbor for worn-out Democrats, or is it the purpose to establish a wildlife harbor of refuge? If you are going to have a wildlife harbor of refuge on Jefferson Island, then are they going to permit the Democrats to go to that island, especially the Jeffersonian Democrats, or will they all be New Deal Democrats who will be permitted to go to Jefferson Island?

Mr. MANSFIELD. Mr. Speaker, first let me say to the gentleman from Pennsylvania [Mr. RICH] that I hope that when this channel is made, Jefferson Island will be eligible for the best type of Republicans as well as Democrats. [Laughter.]

I do not desire to take up any time of the House unnecessarily. The conference report is embraced in the RECORD, which all Members may read for themselves, if they have not already done so. The amendments that have been added by the Senate are amendments that in nearly every instance came in through the regular course from the Chief of Engineers after the bill had passed the House. Of course, they were eligible for consideration by the Senate Committee on Commerce, just the same as they would have been by the House committee if they had come in earlier.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. COLMER. Do I understand that any of these amendments suggested by the Senate did not have the approval of the Chief of Engineers?

Mr. MANSFIELD. Except one they all have the approval of the engineers. The only one not so approved was the Clearwater Harbor, Fla., provision, which was voted out by the House, and the House conferees did not accept it.

Mr. COLMER. Then, if these reports on projects added by the Senate had been made prior to the action by the Rivers and Harbors Committee in the House, in all likelihood they would have been included in the original bill?

Mr. MANSFIELD. Almost beyond question.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. MOTT. What is the item on page 2?—

Intracoastal waterway from Apalachicola Bay to St. Marks River, Fla.

Is that a part of the Florida ship canal?

Mr. MANSFIELD. No.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. RICH. How much did the conference report add to the original appropriation? Are there any increases from what it was originally?

Mr. MANSFIELD. Yes; there are two quite large items, and then there are minor ones. It adds \$20,014,350 to the House bill.

Mr. RICH. Does the gentleman not think that he should do something, either by the House conferees or the Senate conferees, to eliminate items and not have these appropriation bills so increased?

Mr. MANSFIELD. This does not affect the appropriations for the coming year. These projects will be eligible for appropriations next year and thereafter. This is a legislative bill adopting projects and authorizing appropriations hereafter for prosecuting these improvements when Congress wants to make them. Of the two larger items I refer to, one is at Lake Charles, La., and the other is the Mississippi River at Minneapolis, Minn. They constitute more than half the increase and are very meritorious projects.

Mr. RICH. The only thing is this: If we authorize a lot of these projects, then there are many more people hounding the Committee on Appropriations to have the funds appropriated; and it seems to me, if the gentleman will look at

the daily statements of the Treasury, he will see that we cannot continue to go on the way we are, because daily, ever since this year began, we have increased our Budget appropriations by over \$7,000,000 a day, and something may crack some day if we do not cut down.

Mr. MANSFIELD. Mr. Speaker, I compliment the gentleman from Pennsylvania for his earnestness in trying to cut down the cost of government, and I am with him 100 per cent wherever it is practicable to accomplish that end. The improvements necessary for the handling of our commerce are things that we cannot disregard. Commerce is increasing enormously in various sections of the country and steps must be taken to care for the new conditions arising.

Mr. RICH. I would like to make this observation: That since the 1st day of August, up to August 6, we have spent at the rate of \$4,933 a minute more than we have received. Think of it! Four thousand nine hundred and thirty-three dollars a minute; while you eat, while you sleep, while you work, and while you play, every hour of the day you are going that much in the red. Something, somehow, sometime, will crack in this Nation if we do not stop.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. JENKINS of Ohio. I notice the Senate has added amendments which total about \$20,000,000.

Mr. MANSFIELD. Yes.

Mr. JENKINS of Ohio. The House has receded on many of the amendments. Do those amendments where the House recedes carry any considerable amount of money, or are they mostly immaterial matters?

Mr. MANSFIELD. The majority of them are surveys which may not cost anything. Unless they are proved to be very meritorious the cost will be infinitesimal. Those that are not surveys, some eight or nine, have been reported upon favorably by both the board and the Chief of Engineers of the War Department in the regular course of their duties.

Mr. JENKINS of Ohio. Of course the distinguished chairman of this committee knows more about these flood-control matters than I do, although I have applied myself rather assiduously to keep posted. I notice the absence of any mention of projects that deal primarily with the control of floods in the Ohio Valley.

Mr. MANSFIELD. We do not handle flood-control matters in our committee unless they are incidental to improvements primarily for other purposes.

Mr. JENKINS of Ohio. I know; but does not your committee take into consideration the construction of some projects that have been accepted by the Army engineers as being a part of the flood-control program?

Mr. MANSFIELD. Where they are incidental to navigation and other purposes of improvement, yes, that is true.

Mr. JENKINS of Ohio. Has there been any taking out of any projects in the vicinity of Pittsburgh and that section which have to do with the holding back of the water of the Ohio River?

Mr. MANSFIELD. None whatever. Furthermore, we favor everything that the engineering branch of the Government will recommend as necessary and useful for that section.

Mr. JENKINS of Ohio. As this bill passed the House it carried a provision with reference to the Scioto-Sandusky plan in Ohio. That is still in the bill, is it?

Mr. MANSFIELD. They took nothing out in the Senate. If that provision was in it when it passed the House it remains there yet, but I believe a provision to that effect was included in the omnibus flood-control bill instead of the river and harbor bill.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. OLIVER. On page 5 of the report, amendment no. 23, "Presumpscot Harbor, Maine", I wonder if the gentleman would offer an amendment to change that "Presumpscot Harbor", that being a misprint?



Mr. MANSFIELD. This has already been approved by the Senate.

Mr. OLIVER. I am wondering whether anything could be done to correct that wording.

Mr. MANSFIELD. I do not think there can at this time.

Mr. Speaker, unless there are some other questions that Members desire to ask, I do not care to make any further statement at this time. I move the adoption of the conference report, Mr. Speaker, and on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### NAVIGATION FACILITIES ON THE COLUMBIA RIVER-BONNEVILLE PROJECT

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 7642) authorizing the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7642) authorizing the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with two amendments as follows: In section 2 (a) of the amendment, in the twenty-second line of this section, strike out "administrator is authorized and empowered to direct and require the", and in line 24 strike out the word "to" and insert "shall"; so as to make the sentence read "The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy." At the end of section 11 of the amendment, strike out the period, insert a comma, and add the words "including installation of equipment and machinery for the generation of electric energy and facilities for its transmission and sale."

As so amended your committee of conference recommends that the bill do pass.

J. J. MANSFIELD,  
RENÉ L. DE ROUEN,  
GEORGE N. SEGER,  
ALBERT E. CARTER,

*Managers on the part of the House.*

ROYAL S. COPELAND,  
CHAS. L. McNARY,  
MORRIS SHEPPARD,

*Managers on the part of the Senate.*

#### STATEMENT

No material changes were made in the provisions of the House bill by the Senate amendment.

The bill, as agreed to, reads as follows:

"An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes

"Be it enacted, etc., That for the purpose of improving navigation on the Columbia River, and for other purposes incidental thereto, the dam, locks, power plant, and appurtenant works now under construction at Bonneville, Oreg., and North Bonneville, Wash. (hereinafter called Bonneville project), shall be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers, subject to the provisions of this act relating to the powers and duties of the Bonneville power administrator provided for in section 2 (a) (hereinafter called the administrator) respecting the transmission and sale of electric energy generated at said project. The Secretary of War shall provide, construct, operate, maintain, and improve at Bonneville project such machinery, equipment, and facilities for the generation of electric energy as the administrator may deem necessary to develop such electric energy as rapidly as markets may be found therefor. The electric energy thus generated and not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith shall be delivered to the administrator, for disposition as provided in this act.

SEC. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said administrator as hereinafter provided. The administrator shall be

appointed by the Secretary of the Interior; shall be responsible to said Secretary of the Interior; shall receive a salary at the rate of \$10,000 per year; and shall maintain his principal office at a place selected by him in the vicinity of the Bonneville project. The administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Bonneville project not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, a representative designated by the Secretary of the Interior, a representative designated by the Federal Power Commission, and a representative designated by the Secretary of Agriculture. The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin. The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy. The Secretary of War shall schedule the operations of the several electrical generating units and appurtenant equipment of the Bonneville project in accordance with the requirements of the administrator. The Secretary of War shall provide and maintain for the use of the administrator at said Bonneville project adequate station space and equipment, including such switches, switchboards, instruments, and dispatching facilities as may be required by the administrator for proper reception, handling, and dispatching of the electric energy produced at the said project, together with transformers and other equipment required by the administrator for the transmission of such energy from that place at suitable voltage to the markets which the administrator desires to serve.

"(b) In order to encourage the widest possible use of all electric energy that can be generated and marketed and to provide reasonable outlets therefor, and to prevent the monopolization thereof by limited groups, the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations, and facilities and structures appurtenant thereto, as he finds necessary, desirable, or appropriate for the purpose of transmitting electric energy, available for sale, from the Bonneville project to existing and potential markets, and, for the purpose of interchange of electric energy, to interconnect the Bonneville project with other Federal projects and publicly owned power systems now or hereafter constructed.

"(c) The administrator is authorized, in the name of the United States, to acquire, by purchase, lease, condemnation, or donation, such real and personal property, or any interest therein, including lands, easements, rights-of-way, franchises, electric transmission lines, substations, and facilities and structures appurtenant thereto, as the administrator finds necessary or appropriate to carry out the purposes of this act. Title to all property and property rights acquired by the administrator shall be taken in the name of the United States.

"(d) The administrator shall have power to acquire any property or property rights, including patent rights, which in his opinion are necessary to carry out the purposes of this act, by the exercise of the right of eminent domain and to institute condemnation proceedings therefor in the same manner as is provided by law for the condemnation of real estate.

"(e) The administrator is authorized, in the name of the United States, to sell, lease, or otherwise dispose of such personal property as in his judgment is not required for the purposes of this act and such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in his judgment are not required for the purposes of this act: *Provided, however,* That before the sale, lease, or disposition of real property or transmission lines, as herein provided, the administrator shall secure the approval of the President of the United States.

"(f) Subject to the provisions of this act, the administrator is authorized, in the name of the United States, to negotiate and enter into such contracts, agreements, and arrangements as he shall find necessary or appropriate to carry out the purposes of this act.

"SEC. 3. As employed in this act, the term 'public body', or 'public bodies', means States, public power districts, counties, and municipalities, including agencies or subdivisions of any thereof.

"As employed in this act, the term 'cooperative', or 'cooperatives', means any form of non-profit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost.

"SEC. 4. (a) In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

"(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to January 1, 1941, there shall be available for sale to public bodies and cooperatives not less than 50 percent of the



electric energy produced at the Bonneville project, it shall be the duty of the administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until January 1, 1941: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to January 1, 1941, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to January 1, 1941: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1941; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted.

"(c) An application by any public body or cooperative for an allocation of electric energy shall not be denied, or another application competing or in conflict therewith be granted, to any private corporation, company, agency, or person, on the ground that any proposed bond or other security issue of any such public body or cooperative, the sale of which is necessary to enable such prospective purchaser to enter into the public business of selling and distributing the electric energy proposed to be purchased, has not been authorized or marketed, until after a reasonable time, to be determined by the administrator, has been afforded such public body or cooperative to have such bond or other security issue authorized or marketed.

"(d) It is declared to be the policy of the Congress, as expressed in this act, to preserve the said preferential status of the public bodies and cooperatives herein referred to, and to give to the people of the States within economic transmission distance of the Bonneville project reasonable opportunity and time to hold any election or elections or take any action necessary to create such public bodies and cooperatives as the laws of such States authorize and permit, and to afford such public bodies or cooperatives reasonable time and opportunity to take any action necessary to authorize the issuance of bonds or to arrange other financing necessary to construct or acquire necessary and desirable electric distribution facilities, and in all other respects legally to become qualified purchasers and distributors of electric energy available under this act.

"Sec. 5. (a) Subject to the provisions of this act and to such rate schedules as the Federal Power Commission may approve, as hereinafter provided, the administrator shall negotiate and enter into contracts for the sale at wholesale of electric energy, either for resale or direct consumption, to public bodies and cooperatives and to private agencies and persons. Contracts for the sale of electric energy to any private person or agency other than a privately owned public utility engaged in selling electric energy to the general public, shall contain a provision forbidding such private purchaser to resell any of such electric energy so purchased to any private utility or agency engaged in the sale of electric energy to the general public, and requiring the immediate canceling of such contract of sale in the event of violation of such provision. Contracts entered into under this subsection shall be binding in accordance with the terms thereof and shall be effective for such period or periods, including renewals or extensions, as may be provided therein, not exceeding in the aggregate 20 years from the respective dates of the making of such contracts. Contracts entered into under this subsection shall contain (1) such provisions as the administrator and purchaser agree upon for the equitable adjustment of rates at appropriate intervals, not less frequently than once in every 5 years, and (2) in the case of a contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the administrator may cancel such contract upon 5 years' notice in writing if, in the judgment of the administrator, any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this act, and that such cancellation may be with respect to all or any part of the electric energy so purchased under said contract to the end that the preferential rights and priorities accorded public bodies and cooperatives under this act shall at all times be preserved. Contracts entered into with any utility engaged in the sale of electric energy to the general public shall contain such terms and conditions, including among other things stipulations concerning resale and resale rates by any such utility, as the administrator may deem necessary, desirable, or appropriate to effectuate the purposes of this act and to insure that resale by such utility to the ultimate consumer shall be at rates which are reasonable and nondiscriminatory. Such contract shall also require such utility to keep on file in the office of the administrator a schedule of all its rates and charges to the public for electric energy and such alterations and changes therein as may be put into effect by such utility.

"(b) The administrator is authorized to enter into contracts with public or private power systems for the mutual exchange of unused excess power upon suitable exchange terms for the purpose of economical operation or of providing emergency or break-down relief.

"Sec. 6. Schedules of rates and charges for electric energy produced at the Bonneville project and sold to purchasers as in this act provided shall be prepared by the administrator and become

effective upon confirmation and approval thereof by the Federal Power Commission. Subject to confirmation and approval by the Federal Power Commission, such rate schedules may be modified from time to time by the administrator, and shall be fixed and established with a view to encouraging the widest possible diversified use of electric energy. The said rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas in order to extend the benefits of an integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project.

"Sec. 7. It is the intent of Congress that rate schedules for the sale of electric energy which is or may be generated at the Bonneville project in excess of the amount required for operating the dam, locks, and appurtenant works at said project shall be determined with due regard to and predicated upon the fact that such electric energy is developed from water power created as an incident to the construction of the dam in the Columbia River at the Bonneville project for the purposes set forth in section 1 of this act. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of Bonneville project) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years. Rate schedules shall be based upon an allocation of costs made by the Federal Power Commission. In computing the cost of electric energy developed from water power created as an incident to and a byproduct of the construction of the Bonneville project, the Federal Power Commission may allocate to the costs of electric facilities such a share of the cost of facilities having joint value for the production of electric energy and other purposes as the power development may fairly bear as compared with such other purposes.

"Sec. 8. Notwithstanding any other provision of law, all purchases and contracts made by the administrator or the Secretary of War for supplies or for services, except for personal services, shall be made after advertising, in such manner and at such times, sufficiently in advance of opening bids, as the administrator or Secretary of War, as the case may be, shall determine to be adequate to insure notice and opportunity for competition. Such advertisement shall not be required, however, when (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed \$500; in which case such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards, the administrator or the Secretary of War, as the case may be, may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

"Sec. 9. (a) The administrator, subject to the requirements of the Federal Water Power Act, shall keep complete and accurate accounts of operations, including all funds expended and received in connection with transmission and sale of electric energy generated at the Bonneville project.

"(b) The administrator may make such expenditures for offices, vehicles, furnishings, equipment, supplies, and books; for attendance at meetings; and for such other facilities and services as he may find necessary for the proper administration of this Act.

"(c) In December of each year, the administrator shall file with the Congress, through the Secretary of the Interior, a financial statement and a complete report as to the transmission and sale of electric energy generated at the Bonneville project during the preceding governmental fiscal year.

"Sec. 10. The administrator, the Secretary of War, and the Federal Power Commission, respectively, shall appoint such attorneys, engineers, and other experts as may be necessary for carrying out the functions entrusted to them under this Act, without regard to the provisions of the civil-service laws and shall fix the compensation of each of such attorneys, engineers, and other experts at not to exceed \$7,500 per annum; and they may, subject to the civil-service laws, appoint such other officers and employees as may be necessary to carry out such functions and fix their salaries in accordance with the Classification Act of 1923 as amended.

"Sec. 11. All receipts from transmission and sale of electric energy generated at the Bonneville project shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from such receipts a continuing fund of \$500,000, to the credit of the administrator and subject to check by him, to defray emergency expenses and to insure continuous operation. There is hereby authorized to be appropriated from time to time, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act, including installation of equipment and machinery for the generation of electric energy and facilities for its transmission and sale.

"Sec. 12. The Administrator may, in the name of the United States, under the supervision of the Attorney General, bring such suits at law or in equity as in his judgment may be necessary to carry out the purposes of this Act; and he shall be represented in the prosecution and defense of all litigation affecting the status or operation of Bonneville project by the United States attor-



neys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may designate as authorized by law, in conjunction with the regularly employed attorneys of the Administrator.

"SEC. 13. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby."

J. J. MANSFIELD,  
RENÉ L. DEROUEN,  
GEORGE N. SEGER,  
ALBERT E. CARTER,

*Managers on the part of the House.*

Mr. MANSFIELD. Mr. Speaker, the so-called Bonneville project bill has been under consideration by the Committee on Rivers and Harbors for many months. It involved a great many controversies that seemed to be almost incapable of being reconciled. We finally whipped it into such shape that it passed the House and went to the Senate. The Senate, after their controversies were ironed out over there, finally ratified the bill and passed it substantially as it was passed in the House. In the conference with the Senate conferees we have agreed unanimously to two clarifying amendments, which do not alter or change the sense or purport of the bill in any way.

Unless there are some questions that some Member desires to ask, I shall not detain you any longer.

I move the adoption of the conference report, Mr. Speaker, and on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### BONNEVILLE IS ALSO A STATE OF WASHINGTON PROJECT

Mr. SMITH of Washington. Mr. Speaker, the Bonneville Dam project on the Columbia River in the Pacific Northwest is as much a State of Washington as it is an Oregon project. I have for 5 years, and particularly during the past year, put forth my every effort to make it a two-State project instead of allowing Portland and Oregon to "bottle it up" for their own aggrandizement to serve the proposed plant of the Bohn Aluminum & Brass Co., which Portland interests have sought to have located in their city and thereby monopolize the electric-power output of the Bonneville Dam. My position is confirmed by the statement which appears in the impartial and nonpartisan report on the Bonneville project contained in Power in the State of Washington, A Survey of Power, Irrigation, and Conservation, and Their Relationship to the Public Interest, by Herebert A. Resner; published by W. P. A., State of Washington, on pages 40-42 thereof, reading as follows:

However, the real difficulty in the economic distribution of Bonneville power is the fact that Oregon, and especially Portland, is suffering under the delusion that the Bonneville plant is for their exclusive advantage, and that Washington is uncommonly brazen in harboring the idea that they, too, should benefit by this development.

However, this selfish attempt is defeated by the bill which has just passed the Senate, and which conforms in every important detail with the House bill, for in it preferential rights to the local communities, farm cooperatives, and public-utility districts are securely provided for the same as in the House bill. We have saved Bonneville for the people. Those citizens who are interested in the history of the Bonneville legislation in Congress this year should read the hearings held before the Committee on Rivers and Harbors of the House of Representatives, on which I hold membership, consisting of over 500 pages of printed matter, as a result of which the law for the administration of Bonneville was formulated.

The Senate bill as amended also locates the Bonneville project at North Bonneville, Wash., as well as Bonneville, Oreg., and restores the language of the House bill which had been stricken from the Senate bill as substituted by the Senator from Oregon [Mr. McNARY] by unanimous consent.

I append hereto the correspondence relating to this important proviso.

CONGRESS OF THE UNITED STATES,  
House of Representatives,  
Washington, D. C., August 9, 1937.

Hon. HOMER T. BONE,

*United States Senate, Washington, D. C.*

MY DEAR SENATOR: In the proceedings of the Senate, as published Friday, August 6, in the CONGRESSIONAL RECORD, I note on pages 8390-8392 that under unanimous consent Senator McNARY substituted the text of the Senate bill on the Bonneville project for the text of the measure passed by the House, and that in the Senate bill the project is designated as being located at Bonneville, Oreg.

I would call your attention to the action which I took in the House, as a result of which the House bill shows the project as also located at North Bonneville, Wash. This important fact—that the dam structure is in the State of Washington as well as in Oregon, and the added fact that the main trunk transmission line will be in the State of Washington, resulted in the House phraseology being approved by the Army Engineers, the Federal Power Policy Committee, and other agencies directly interested in the legislation.

This, of course, is of the utmost importance to the residents of Skamania County and all southwest Washington, and I hope you and Senator SCHWELLENBACH will submit an amendment in the Senate bringing the State of Washington into the Bonneville legislative picture.

With cordial personal regards, I am,  
Sincerely yours,

MARTIN F. SMITH.

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF ENGINEERS,  
Washington, March 9, 1937.

Hon. MARTIN F. SMITH,

*House of Representatives, Washington, D. C.*

MY DEAR MR. SMITH: I am in receipt of your letter of March 4, in which you suggest a minor change in the amendment to the bill H. R. 4948, to provide for the sale of power from Bonneville Dam, this amendment being the insertion of the words "North Bonneville, Wash.", after "Bonneville, Oreg.", in section 1.

I can perceive no objection to the correction indicated.

Very truly yours,

E. M. MARKHAM,  
Major General, Chief of Engineers.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 4, 1937.

Maj. Gen. E. M. MARKHAM,

*Chief, United States Army Engineers,  
Washington, D. C.*

MY DEAR GENERAL MARKHAM: I am very pleased to acknowledge receipt of your letter of even date enclosing suggested amendments to my bill, H. R. 4948.

I appreciate having this expression from you and am glad to assure you I shall support the amendments vigorously. They are in line with the statements I made before the President's power committee.

I have taken the liberty of making one slight change, which you will realize, is very important to my southwest Washington district. In section 1 I have inserted the words "North Bonneville, Wash.", after "Bonneville, Oreg." In other words, General Markham, my constituents feel the Washington side of the project should receive equal consideration with the portion on the Oregon side of the Columbia; it is a two-State project. I am sure you will understand and agree with this view.

With cordial personal regards, I am,  
Sincerely yours,

MARTIN F. SMITH.

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF ENGINEERS,  
Washington, March 4, 1937.

Hon. MARTIN F. SMITH,

*House of Representatives, Washington, D. C.*

MY DEAR MR. SMITH: I am enclosing herewith, for your consideration, a copy of H. R. 4948, with suggested amendments, which would change the provisions of sections 1 and 2 (a). The original bill provides for the operation and maintenance of the dam and power-house by the Columbia River administrator and for the operation of the locks by the War Department. The purport of the amendment is to provide for the operation and maintenance of the dam and power-house, as well as the locks, by the War Department.

It is the view of this Department that the Bonneville structures, being primarily for navigation, should remain under the jurisdiction of the War Department. The power generated at the dam would be turned over to the Columbia River administrator at a switchboard in or near the power-house for distribution. The amended legislation would avoid any duplication of responsibility and effort and vest the responsibility for the structures in a single agency of the Federal Government. It would not affect any of the remaining provisions in the bill.



The proposed amendments have been discussed with and approved by the President. I know that they will receive your careful consideration.

Very truly yours,

E. M. MARKHAM,  
Major General, Chief of Engineers.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 4, 1937.

HON. JOSEPH J. MANSFIELD, M. C.,  
Chairman, Committee on Rivers and Harbors,  
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: In accordance with our telephone conversation this afternoon, I am enclosing herewith the amendments as suggested by Maj. Gen. E. M. Markham, Chief of United States Army Engineers. I am also handing you the letter of transmittal from General Markham.

With cordial regards, I am,  
Sincerely yours,

MARTIN F. SMITH.

#### RELIEF TO WATER USERS ON RECLAMATION PROJECTS

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 305.

The Clerk read as follows:

#### House Resolution 305

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 413, an act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is a rule for the consideration of a bill the title of which discloses its purpose: To create a commission to study what relief is needed by water users on irrigation and reclamation projects. The members of the committee will explain the bill in detail.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, for a number of years the House has been troubled by annual demands for moratoria on reclamation charges. Unquestionably, some have had payments deferred who could easily pay the Government charge. This year there has been some advance, at least, over what was proposed in other years.

The suggestion has been made that the problem be thrashed out by a commission which will be authorized to grant leniency where needed. The Senate bill provides the moratorium would not extend beyond 50 percent. The House, I repeat, would determine by commission who will have their payments deferred. The commission might give 100 percent moratorium to some and none to others. Which is in the best interest of the Treasury I am not in a position to determine. Either plan, however, is some progress.

What I seriously object to is the establishment of a commission of three in order to determine the leniency. It strikes me in the Bureau of Reclamation there must be three men qualified to deal with this problem, qualified to say which reclamation project is able to pay this year and which is in distress. It is not a very difficult matter to determine as the data are easily available. It ought not to cost the Government \$50,000, as provided in the bill, or even \$30,000, which I understand the committee is willing to accept. The proposal creates another commission which is absolutely unnecessary, because, after all, this commission would be named by the Secretary of the Interior, Mr. Ickes, and it will not act different from the recommendation of those who supervise the reclamation work. It is simply

throwing away \$50,000 in salaries which might better be devoted for the relief of some deserving project.

I shall not oppose the rule, because I believe some legislation is necessary, but I think that we ought to consider it carefully, and I do not think we should create another commission. We are piling up too many new commissions with vast armies of employees.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Massachusetts reserves the balance of his time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a bill to continue the policy of moratoria upon payments by those who live on reclamation projects, but it is a bad bill. It provides a way of determining the amount of the moratorium and the places where the moratorium shall take effect, but instead of providing a commission that might be impartial, that might have an opportunity to pass on the question fairly, that might be expected to treat the Government of the United States fairly, it sets up as qualification for membership on the commission that only those who are occupants of and farmers in these reclamation districts are eligible to be appointed on this commission. That makes a packed jury.

Mr. ROBINSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBINSON of Utah. I think the gentleman is in error when he states that the members of this commission can only be occupants of the reclamation district.

Mr. TABER. I said that the qualification set up was such that they must be.

Mr. ROBINSON of Utah. No.

Mr. TABER. In line 7 of page 4 this language appears: All of whom shall have an intimate knowledge of irrigation farming.

Mr. ROBINSON of Utah. Yes.

Mr. TABER. No one has that knowledge save those who are actually on the job in these irrigation districts.

Mr. ROBINSON of Utah. If the gentleman will yield further, the idea is to appoint men who are not in the reclamation district but men familiar with conditions and who have some intimate knowledge of farming.

Mr. TABER. Are there any people who have an intimate knowledge of farming on reclamation districts except those who are actually financially interested in it?

Mr. ROBINSON of Utah. Oh, yes, hundreds; as a matter of fact, thousands.

Mr. TABER. The gentleman means those who have retired?

Mr. ROBINSON of Utah. No; men who are not living in reclamation districts but who have an intimate knowledge of farming and irrigation districts.

Mr. TABER. How would they get their knowledge?

Mr. ROBINSON of Utah. There are hundreds of men who live on privately irrigated land possibly adjoining reclamation projects or near reclamation districts.

Mr. TABER. They would be prejudiced jurors just the same as the other group.

Mr. ROBINSON of Utah. No. They may be prejudiced, it is true, but they would be prejudiced against the reclamation project itself. They are not interested in the reclamation project. They would be farmers who are interested in irrigation but are not interested in reclamation projects.

Mr. JENKINS of Ohio. Would the gentleman be willing to accept an amendment to this effect? The gentleman has stated his object is to get men who know irrigation farming but who are not interested in the project. Would he object to an amendment in line 10 to this effect: After saying who shall be appointed and so on, providing that they shall not have any financial interest in the matter referred to.

Mr. ROBINSON of Utah. I may say that very matter was considered in the committee and was proposed. The Direc-



tor of the Bureau of Reclamation said that he considered that would be unnecessary, because they would see to it that the people who were appointed had no financial interest at all in the reclamation project.

Mr. TABER. Would it not be a good idea for the Congress to set up requirements that would protect the Government under such circumstances?

Mr. ROBINSON of Utah. As far as I am concerned, I have no objection, unless some of the other Members of the committee have.

Mr. JENKINS of Ohio. Suppose, then, in line 10, after the word "Interior", we strike out the period, insert a comma and provide "and shall have no financial interest in the matters referred to it."

Mr. ROBINSON of Utah. That is satisfactory as far as the committee is concerned.

Mr. FERGUSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. That subject was discussed in committee. Where those men are available, it would be all right; but this bill does not propose to reduce the capital obligation. The financial interest of the Government cannot be decreased. It is only the amount of annual payment that may be regulated by this Commission.

Mr. TABER. That does not necessarily follow, because if a lienor postpones the payment of the claim, oftentimes the continued accrual and the failure to collect results in a failure ultimately to collect it.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. TABER. Mr. Speaker, I want to call attention to a fact which appears on page 3 of the report in the letter from the Assistant Secretary of the Interior, at the bottom of the page:

At the end of the fiscal year 1936 there had been expended approximately \$245,000,000 upon reclamation projects in which \$45,400,000 had been repaid by water users. The revolving feature of the fund has been seriously retarded, and there are projects where water has been available for 29 years and only six annual installments have been paid.

I call attention to the fact that the failure of these water users to meet their payments has become a source of embarrassment to the Government. If we are going to continue with this policy of irrigation, we should at least continue it in a way that the installments required to be paid shall be met. Moratoriums along the lines granted heretofore have not been satisfactory.

I hope when the House comes to consider this bill in Committee of the Whole the bill will be amended so that we will have an end to a great many of these delays in making payment, and that wherever there is ability on the part of these people to pay, and wherever their rights are worth in the market what they owe, payments will be required and the situation described by the Assistant Secretary of the Interior will cease.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I intended on Tuesday to talk for 5 minutes about the Interior appropriation bill and the fact that the President had signed it reluctantly. I also desired to call attention to some things in it of great importance that he did not touch on in his statement to the press. Some other things have come about in the last few days that make it necessary that I say a little concerning other things.

I failed yesterday in an effort to be funny. I had the delusion for a minute that possibly I could be, but I failed miserably.

Mr. Speaker, I am a little chagrined at my good friend from Chicago, the senior Member of this House, because of the fact that when he had the chance last night to correct his own wrong words that he put in my mouth he did not do it. I did not say the things he said I stated, and he did not correct them when his attention was called to the matter last night. The RECORD shows exactly what I said. They objected to it being changed. I could not delete it even on my own request. The RECORD shows that I challenged JOHN O'CONNOR's courage being equal to HATTON SUMNERS'. Then I said to HATTON SUMNERS, "You are just an American, but JOHN O'CONNOR is an Irishman." I did not say he was only an Irishman. I did not say he was just an Irishman. I said he was an Irishman, for he symbolized courage. He was more than just an American.

Mr. SABATH did not take that out of his statement when he had a chance to correct it last night. The United Press and other newspapers have not corrected it, either. They have it the same way. I am not apologizing for what I said. Of course, I would not have said it if I thought it would have offended anybody, but it is not enough to offend anybody and it is not deserving of an apology.

Mr. MILLS. Will the gentleman yield?

Mr. LAMBERTSON. I cannot yield now. I will not yield in this speech.

Mr. MILLS. I want to ask the gentleman a question.

Mr. LAMBERTSON. On other days I shall be glad to yield, but not today.

I am serving my fifth term and am a member of the Appropriations Committee and the Labor Committee. I spend 15 hours a day in my office on the Hill. I work 100 hours a week up here. I think I am entitled to a little time. At the close of business, Tuesday, the majority leader denied me 5 minutes and promised me that perhaps I would be able to get time tomorrow. But tomorrow came and I did not get it. I apologize for the procedure I have followed today. So much for that.

When the President reluctantly signed the Interior Department appropriation bill Monday night, the tenth day, he picked out for comment just one item—vocational education. My background, I may state, is that in the subcommittee considering the Interior Department appropriation bill I moved to make the amount \$10,000,000, telling the members we could save \$4,000,000 and that we could hold the amount to \$10,000,000. However, they did not believe me. I have no influence on the floor or in the committee, I guess. Then in the whole committee I made the motion again, and told the members of the committee we could save \$4,000,000 if we would make the amount \$10,000,000, and that we could hold it to \$10,000,000 on the floor. However, they would not believe me. They brought the bill on the floor and got whipped, the proposal got whipped on the floor in the Senate, and the amount was made \$14,000,000. Ten million dollars would have done the job, but they would not listen to me. This is my background.

The difference between what would have been appropriated normally and what was finally appropriated involves not more than from \$6,000,000 to \$8,000,000. However, there are tremendous sums appropriated in this Interior Department appropriation bill which the President did not mention. I have a strong hunch that the Budget asked the President to veto the bill. Mr. McIntyre would not tell me so. I tried to get him to tell me that yesterday, but he would not do it. I think the Budget wanted the President to veto the bill. I wish the President had vetoed the bill in the interest of economy on account of the things which were put over on us in the Interior bill on the floor of the House. This \$7,000,000 or \$8,000,000 out of the large amount involved in the bill is all that disturbed the President and made him reluctant to sign the Interior Department appropriation bill.

I want to refer to seven things in this bill. First, the Natchez Trace, which was born as an illegitimate child out of emergency funds, and then authorized a year after it was born. This will cost us \$23,000,000.



The Skyline Drive, which will cost \$34,000,000 when it is completed, got its first real money last year. The Natchez Trace got its first real money this year.

The Big Thompson, which is going to cost us \$43,000,000, was given an appropriation of \$900,000, but it has not yet even been authorized by the Congress.

Mr. CUMMINGS. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. The bill is pending, and the gentleman knows it. The project has not yet been authorized by Congress. We appropriated \$900,000 for the Big Thompson, but the President does not even mention it as one of the things which made him reluctant to sign the bill. I would mention this item if I were reluctant about signing the Interior Department appropriation bill. The Big Thompson project got the votes of the Members seeking appropriations for the Natchez Trace, the Skyline Drive, the Grand Coulee, the Central Valley project, the Gila project, and the Casper-Alcova project. These boys had one grand "pork barrel". These appropriations went through the House in the Interior Department appropriation bill and the Government was pledged to spend ultimately \$23,000,000, \$34,000,000, \$43,000,000, \$186,000,000, \$80,000,000, \$20,000,000, and \$170,000,000. These seven things, besides a number of other matters in the Interior bill, did not attract the attention of the President at all. The President concentrated all of his reluctance on the little item of vocational education, whose benefits extend into the rural districts. In my district, which is rural, we have 36 schools which have vocational education. Nine schools were ready to receive it, just like the others, and they should have it just as well as the others. This item the President objected to had been authorized, the entire \$14,000,000, but he complained about the appropriation for it. The Big Thompson, which is going to cost us \$43,000,000 at least, has not yet been authorized, but the President did not say a word about it. It is the inconsistency of the thing I want to mention.

I may say to the gentleman from Illinois [Mr. O'BRIEN], or anybody else, that you cannot hurt me by keeping me off the floor. I am not a wet nurse to any baby project before Congress. I have no projects I must look after. Thank God, I am a free moral agent here. I am here to try to help save money, and I am going to stick with the President of the United States and help him when he is consistent and wants to do that. However, he has been terribly inconsistent on this Interior Department appropriation bill, for one. I am just pointing these things out to you.

Here are the seven big propositions:

Casper-Alcova got \$7,000,000 from the President to start it, \$5,000,000 more from Emergency Relief, and in 1937 for the first time it got \$1,000,000 from the reclamation fund, plus \$650,000 for 1938. These figures are from the Committee on Appropriations.

Mr. GREEVER. Mr. Speaker, will the gentleman yield for a correction?

Mr. LAMBERTSON. I cannot yield.

Mr. GREEVER. The gentleman has made a mistake.

Mr. LAMBERTSON. I got these figures from the Committee on Appropriations.

Mr. GREEVER. Then the gentleman got them wrong.

Mr. LAMBERTSON. If I am wrong then they are wrong. These are the exact figures from the committee.

The emergency fund started the Gila project with \$1,800,000. This project received from the reclamation fund last year, \$1,250,000; and this year, \$700,000. The findings of feasibility have been made which authorize the continuation of the construction of this project with appropriations from the reclamation fund.

The Grand Coulee Dam had a kind of a subrosa authorization in the River and Harbor Act, but it got its birth through \$15,000,000 given to it from emergency funds by the President of the United States. This is the way it was born. Later, \$19,800,000 was allotted from emergency relief.

The economic survey of \$250,000 last year, \$20,750,000 for 1937 and \$13,000,000 from the reclamation-fund appropriation for 1938.

The Central Valley of California, from emergency relief, \$4,500,000 to start it; and in 1937, \$6,900,000 from general fund; and in 1938, this year, from same source, \$12,500,000, not specifically authorized by Congress, but eligible for appropriations as work in progress.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman from Kansas 5 additional minutes.

Mr. LAMBERTSON. The Big Thompson is a brand new proposition that never would have been passed in this House except for the "pork barrel" vote of the Natchez Trace and the Skyline Drive and the Grand Coulee and the Gila and the Central Valley. It would never have got to first base, and it is not authorized yet. It was the grandest "pork barrel" we ever had put over in this House.

Mr. CUMMINGS rose.

Mr. LAMBERTSON. I cannot yield.

Mr. CUMMINGS. The gentleman looked squarely at me.

Mr. LAMBERTSON. I cannot yield.

The Big Thompson got \$150,000 from Public Works for survey, and then in the 1938 bill we give it \$900,000 from the Reclamation Act, and it is a brand new proposition that is not yet authorized.

This is the way we do business in this Government.

Then the Natchez Trace was allotted from emergency funds \$1,475,185, and this year we gave it its first appropriation of \$1,500,000, and it was authorized after it was born.

The Blue Ridge Parkway or the Skyline Drive was allocated from emergency funds \$6,818,400, and this year we gave it an appropriation of \$4,500,000, the first appropriation that it has had, and starting the innovation of building 100-percent highways out of Federal funds. It was started without any authorization, from emergency funds.

These seven items I have picked out of the appropriation bill as matters that did not attract the President's attention at all, but he was responsible for all these allotments, and then he picked out the little, lowly, humble country school-boy who is going to be benefited by the addition of \$7,000,000 or \$8,000,000 to the appropriation for vocational education, and that represents all of his reluctance regarding the Interior appropriation bill.

I might talk about our St. Louis proposition, and I am almost persuaded to do so because the gentleman [Mr. COCHRAN] interrupted a little while ago and said that I asked frequently for a minute to address the House and then somebody furnished me a lot of dope about the matter. I never had the matter brought to my attention until this winter, when it came before our subcommittee on the Interior Department bill. Here we have a matter that he fostered, that he was a wet nurse to, creating a commission and promising on the 8th of June, 1935, twelve times that we would never have to spend a dollar for it, and yet we are obligated for \$22,000,000 for sure, with the President giving them six and two-thirds millions; and we have strong evidence that in order to meet their 1-to-4 agreement between the mayor of St. Louis and the President of the United States, they, St. Louis, stole a bond election. We have strong intimation that they stole the bond election and we cannot get them to open their ballot boxes to prove or disprove it. It would then fall of its own weight. What stirred me up was that the President should feel reluctant about signing the Interior bill and yet he let hundreds of millions of dollars go by and hopped on to the little item of vocational education for seven or eight million dollars and that was all the reluctance he felt about this big bill. I want to be consistent. I want to go along with him if he is for economy. It is not the kind of economy I am advocating which comes from the big taxpayers or from any other sources. I think it is about time, when we are spending more every day than we are receiving, that the leaders of our strong committees over here should take a different course with respect to "pork barrels" and nursing these various propositions. They are in positions of leadership, but they are handicapped, and I say that JOHN COCHRAN has hurt himself 50 percent in bringing about any reorganization for



economy when he has fostered this St. Louis proposition which has no appeal to anybody because nobody ever defends it. Have you heard anybody defend it on this floor?

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. The St. Louis Jefferson Memorial will be here next year for its first direct appropriation.

I have made nine different speeches on the proposition, full of facts, but nobody answers me, and I am going to promise you that until this matter is investigated, as long as I stay here, there is going to be a speech about it in the RECORD every week. [Applause.]

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Mr. Speaker, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, made earlier in the day.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, I am inclined to agree with the gentleman from Kansas [Mr. LAMBERTSON] about the devious methods of authorizing irrigation projects. They certainly should come out of a committee, but I certainly heartily disagree with him that because they were not authorized in a proper manner they had no beneficial usage. Certainly irrigation or reclamation of western lands is the salvation of agriculture in this country. As a member of this committee from a State which has no irrigation projects I say to the House that the fact that the Department of the Interior is making an effort here to collect from those districts that can pay certainly is a step in the right direction, and those States that lie in the Great Plains certainly should be interested in the repayment by those projects that can pay. For years the Bureau of Reclamation has refused to recognize any irrigation or reclamation projects in a country that gets over 5 or 6 inches of rain.

When Oklahoma, Texas, Kansas, Nebraska, or the Dakotas have asked for irrigation projects, they have been told that they are in a country that gets 20 inches of rain, and that therefore the Bureau cannot consider those reclamation projects. The series of droughts in the Great Plains country extending from Texas to Canada has certainly demonstrated the fact that the whole economy of agriculture and the whole economy of livestock raising can only continue and can only be profitable by recognition of the fact that we must have supplemental feed supplies, and the only way that we can get them is by irrigation projects. I hope this House will consider this bill a step in cleaning up the irrigation department, in making those projects pay that can pay and granting those extensions when they are fair, and I hope that the Bureau of Reclamation that sponsors this bill and this House of Representatives will recognize the fact that irrigation and supplemental feed for livestock is a solution for our economy in that great territory that extends from Texas to Canada, where our grasses have been depleted and where the drought has killed out the very thing that made it possible for us to live. Until those grasses are brought back—and attempts are being made by the Government to study that problem of regressing—the future of the Great Plains depends on reclamation projects authorized by the Congress and a more understanding treatment of our problems by the Bureau of Reclamation.

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

#### LEAVE TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on

the Speaker's table, and the business of the day, I may have the privilege of addressing the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table and the legislative program today I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address that I broadcast yesterday afternoon.

The SPEAKER. Is there objection?

There was no objection.

Mr. BATES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a tribute to my predecessor, Mr. A. Piatt Andrew.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

#### RELIEF OF WATER USERS ON RECLAMATION AND IRRIGATION PROJECTS

Mr. HILL of Washington. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 413) to create a commission and extend further relief to water users on United States reclamation projects and on Indian reclamation projects.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 413, with Mr. COSTELLO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. HILL of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Chairman, I shall not take up very much time. This is a very short bill, and has but one purpose, and in my opinion it is a very decided step in the right direction. For 5 years Congress has passed each year a moratorium bill relieving the payments of the settlers on reclamation projects that have been established. The result has been that all who had payments to make, or nearly all who had payments to make, deferred those payments. The purpose of these bills was not, of course, to deprive the United States Government of the ultimate payment of this money, but just to continue it for another year. This bill does away with that idea entirely, which I think is a very fine step in the right direction. The bill has been reported out unanimously, practically, from the Senate, and I think unanimously from the Committee on Irrigation and Reclamation of the House.

I might say this was done after very serious consideration and after quite extended hearings, because a great many of the people from the Western States who have reclamation projects in their districts felt they were entitled to the same moratorium this year that they have had each year for the past 5 years. On the other hand, the Department of the Interior, especially Mr. Page, as Director of the Bureau of Reclamation, felt it was wrong to continue this principle. In order to work out that problem it was decided to have a commission of three members appointed. These men



would be experienced farmers, practical farmers, if possible, who would go onto the projects, if necessary, and take testimony, study the condition as it existed in the field, and then report back to the Congress their findings and recommendations as to which projects, if any, should be granted the privilege of deferring their payments, and how much should be deferred, and whether or not there should be any deferring of payments at all. In order to accomplish this, the committee and Mr. Page felt at the time it would cost approximately \$50,000. However, in talking to him recently he has thought that by using certain help which they already have in the Bureau, without additional expense, this work can be done for \$30,000, so that the committee will offer an amendment to the bill providing that the figures "\$50,000" be stricken out and the figures "\$30,000" inserted. So that this bill simply provides a commission of three persons be appointed by the Secretary of the Interior, who shall go on to these various projects where they are requested, where they have refused to make payments or cannot make payments, study the conditions and make findings and report back to the Congress, and the Congress then shall determine whether or not they shall be granted a moratorium.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. JENKINS of Ohio. When the gentleman said he was going to offer an amendment to reduce this from \$50,000 to \$30,000 I want to say he is establishing a profound precedent. We have not heard anything like that for several years. I am very glad to hear it.

Mr. ROBINSON of Utah. I think that is the only statement I care to make, Mr. Chairman. If there are any questions which any of the Members desire to ask, I shall try to answer them.

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. O'CONNOR of Montana. Under the provisions of the bill a man with actual experience as an irrigator or a farmer is qualified to serve as one of these commissioners?

Mr. ROBINSON of Utah. That is correct.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. ROMJUE. What has been the policy with the Department relative to cases of this kind heretofore, where they get in arrears in their payments?

Mr. ROBINSON of Utah. The Department has not any discretion in the matter except to collect the money. Congress, however, has relieved the settlers from the payment of that money for the past 5 years.

Mr. ROMJUE. How often has that been done? Annually?

Mr. ROBINSON of Utah. Annually for 5 years.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. LEAVY. During the last 5 years there have been moratoria and no forced collections for either construction or maintenance costs on irrigation projects.

Mr. ROBINSON of Utah. That is correct.

Mr. LEAVY. And the fact is that current charges that are due are paid up 98 percent in construction and better than 99 percent in maintenance. Is that not the fact?

Mr. ROBINSON of Utah. I think those figures are correct, as I understand it.

Mr. LEAVY. So that reclamation and irrigation, as far as repayment goes, will show a finer bookkeeping account than most any governmental undertaking?

Mr. ROBINSON of Utah. That is correct.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. COFFEE of Nebraska. Will this commission also be authorized to investigate the advisability of relieving certain districts of certain classifications of land, the poorer classes of land, and make it possible to relieve the districts

of those classifications, and put them into a nonpaying class? Will they devote some attention to the advisability of legislation along that line?

Mr. ROBINSON of Utah. They will make findings on that proposition and then report their findings back to the Congress, and Congress can act on that question.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. HOPE. With reference to the statement made by the gentleman from Washington to the effect that all current charges now due on reclamation projects are paid up to approximately 98 percent, that means, I understand, that they are paid up to within 5 years.

Mr. ROBINSON of Utah. That is correct; they are not due when Congress remits them, according to my understanding.

Mr. HOPE. These charges are 5 years behind at the present time. Is not that correct?

Mr. ROBINSON of Utah. That is my understanding.

[Here the gavel fell.]

Mr. GEARHART. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

#### THIS IS A CONSTRUCTIVE PROPOSAL

Mr. CASE of South Dakota. Mr. Chairman, I think that the gentleman from Utah has well outlined the purposes of this legislation. As he says, it comes before the House with the unanimous support of the Committee on Irrigation and Reclamation. I was pleased also to have the gentleman from Ohio point out that in the proposed committee amendment that will be offered to reduce the appropriation from \$50,000 to \$30,000 that the committee is proposing a constructive type of legislation.

This bill has been referred to sometimes as a moratorium bill. That is, I think, a carry-over from the practice of the past few years. As a matter of fact, it represents a departure from the moratorium principle to the principles of normal financing.

It is a constructive bill, because it says, in effect, that we are getting back to normal and instead of granting a blanket moratorium that irrigation districts shall be studied and collections resumed where the occupants are in position to pay; or if their situation is such that some consideration should be given, then we should proceed upon that basis.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOPE. Under the present law is there any method by which the water user can pay more than the current annual charge? What I have in mind is whether there is a provision whereby in good years he can pay in advance and thus protect himself against default in future bad years.

Mr. CASE of South Dakota. I think that depends upon the contract of a particular district.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. PIERCE. That is possible. They never avail themselves of it, however; they buy cars instead; but they can do it now, as I understand.

Mr. HOPE. Does not the gentleman think that would be a very fine thing for them to do?

Mr. PIERCE. Yes; but they do not.

Mr. HOPE. But it is in the law now?

Mr. PIERCE. Yes.

Mr. CASE of South Dakota. Some projects have deposited money with the Bureau to make the payment for this year; others have the money in their treasury. And some others do not have the ability to pay and will need consideration. The difference between our amendment and the Senate bill is that the Senate bill grants a 50-percent moratorium to all concerned, whereas the House proposal will grant extensions only to those who need them.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. ROMJUE. Does the gentleman anticipate that this legislation is one step in a move to create a sentiment to cancel some of these obligations?



Mr. CASE of South Dakota. I may say to the gentleman from Missouri that I am hardly in position to know what the conditions are in all the different districts. This is not a cancellation bill. This bill is different from some relief legislation already passed in this and other sessions. For instance, we reduced the interest rate on farm mortgages from the Federal land bank to 3½ percent. As the gentleman knows, we make an appropriation to the Federal land bank to make up the difference between the 3½ percent and the contract rate. This bill does not call for anything of that sort.

Mr. ROMJUE. I know, but I am just wondering whether in the end Congress will not be beseeched by some of these persons asking that these debts be canceled in the whole or in part.

Mr. CASE of South Dakota. Personally, I hope not, but certainly it will be a good thing to determine a proper repayment schedule for each district. I might point out that the Department particularly asks for this type of legislation as a collection measure. The Secretary points out in his report that several of the projects now have sufficient money on deposit to pay the construction installments now due; and it is for the purpose of protecting the reclamation fund that the committee is sponsoring this amendment to the Senate bill.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOPE. As I understand, under the present law these projects all call for payments spread over a period of 40 years.

Mr. CASE of South Dakota. It varies; some have 40, some 20 years.

Mr. HOPE. That was one thing about which I wanted to inquire. What has been the reason for making some of them 20 and some 40? Has consideration been given to the ability of the project to pay out over a certain length of time, or has it been more or less an arbitrary arrangement?

Mr. CASE of South Dakota. You might say it has been arbitrary, because reclamation projects were set up on a given-year basis. The reason for the difference is that some were relatively high-cost projects and some developed difficulties. The time has varied to meet the supposed or demonstrated possibilities of projects, but whatever it has been the term of years has been fixed by law or by the terms of the contract with the district.

Mr. HOPE. Is it the purpose of this bill to bring about a possible readjustment of all these contracts, based upon the ability of the project to make payments on either a shorter or longer time basis than the present contracts call for?

Mr. CASE of South Dakota. The language of the bill indicates that.

Mr. HOPE. The gentleman understands that is one of the purposes of the bill?

Mr. CASE of South Dakota. Yes. The aim is to get on a sound financing basis. If the gentleman himself were lending money and giving a money service, he would probably adjust collections to conditions and would require payment according to the income of the person. If it were simply a money service, that would be his method.

In irrigation and reclamation we have something more than that. These people in the various irrigation districts have not merely borrowed so much money. They have contracted for a certain water service. They have purchased a certain amount of water. I may illustrate by saying on one project I know of the contract calls for an 18- to 24-inch duty of water in a year. Under drought conditions this particular project got only 6 inches of water last year. Obviously their crops failed and their ability to pay was destroyed through no fault of their own. If the gentleman were simply lending money to them and their ability was so impaired, he would adjust the collections somewhat according to their ability. In this instance they are not getting what they are paying for. That particular project will call for some consideration. On

the other hand, those who get the full water duty and receive the proper income will be expected to pay accordingly.

Mr. HOPE. Under the present law, however, those facts cannot be taken into consideration?

Mr. CASE of South Dakota. That is right. It is an inflexible situation.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I was impressed with the gentleman's statement that this bill is a move on the part of reclamation to put all projects on a better financial basis. The gentleman made it clear, did he not, that in granting a moratorium it is not a cancellation, but merely a deferring of payment? The projects are to pay later?

Mr. CASE of South Dakota. It is not a cancellation.

Mr. MURDOCK of Arizona. This particular move is a turning away from the blanket moratorium to a more businesslike arrangement?

Mr. CASE of South Dakota. I think so.

Mr. MURDOCK of Arizona. Is it not to the interest of irrigation generally, since many of the projects are now able to make their payments, to see that those payments are made? Does that not safeguard the Government and the reclamation fund?

Mr. CASE of South Dakota. So the House committee felt in recommending this bill instead of the Senate bill. The Senate bill would have granted an automatic moratorium whether they were able to pay or not. It would have given them a 50-percent moratorium. The House committee felt that was not proper legislation at this time.

Mr. MURDOCK of Arizona. That would be poor business, in my judgment, for the reclamation cause and a poor policy for the country. I favor showing proper but not unnecessary leniency to this great branch of American industry. I have great faith in the solvency and worth of reclamation throughout this country.

Mr. CASE of South Dakota. Yes; I think the gentleman is right.

Mr. GEARHART. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. GEARHART. The suggestion was offered a moment ago that the passage of this legislation might have the effect of inducing other persons who are obligated to the Government to ask for favors to which they were not entitled. As a matter of fact, before any favors or extensions or deferments of payment are given under the terms of this bill, the district affected will have to show it is entitled to the consideration and show it is unable to pay as provided by its contract?

Mr. CASE of South Dakota. Yes.

Mr. GEARHART. It would have the opposite effect to the encouragement of requests for similar legislation or similar relief from other directions?

Mr. CASE of South Dakota. The gentleman is right. In the debate on the rule I noticed somebody raised the question about the creation of a commission. They felt this might be handled by the Department. Personally, I think probably the Department could make pretty good recommendations; but the Bureau of Reclamation was hesitant about becoming autocratic in this matter, and for this reason suggested the commission idea rather than have the people concerned say that this is all being settled in Washington without a hearing. The bill provides that the commission—

Shall proceed to the project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report.

It seems to me that would carry out what the gentleman from California has in mind.

May I say, in conclusion, I think this is really constructive legislation. I hope the Committee of the Whole will recommend it to the House. It will be a step forward in putting reclamation on a better financial basis. [Applause.]



Mr. GEARHART. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, this legislation has to do with a very commendable activity on the part of the Federal Government. It is a reclamation bill by which those areas that in times past were not productive could be brought into a state of productivity. I think those who sponsor the bill have a right to be proud of their reclamation projects.

It seems to me, however, that it is significant that this reclamation bill should follow immediately another measure that we considered earlier today. That, too, might well have been classed as a reclamation project. I have in mind the conference report in which provision was made for a channel project to Jefferson Island. That is a reclamation project, too. It is a reclamation project with which I am very, very much in sympathy. Ordinarily I would have opposed the conference report because of the channel project to Jefferson Island, but prompted by a sense of brotherliness and because of my sympathy for the feelings of my brethren on the other side of the aisle, I refrained from doing so. My heart goes out to the distress and present discomfiture of my Democratic brethren.

The present administration has been noteworthy for many things. However, I believe that in history it will be recorded that this administration was primarily materially minded. Things of the spirit have had little consideration at the hands of this administration. While you have been accustomed to hear the words "more abundant life" and other phrases that might have spiritual significance, most people have come to look upon them merely as catch phrases, as the material mindedness of the administration is increasingly evident. Little if any time has been given to spiritual things.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. DITTER. In just a moment.

Mr. MURDOCK of Utah. I would like to ask the gentleman a question right there because I think it is pertinent.

Mr. DITTER. I want to be sure that I will not lose my train of thought. I want to keep before you the difference between material and spiritual things.

I yield to the gentleman.

Mr. MURDOCK of Utah. Is it not a fact that nine-tenths of the condemnation that we get from your side of the aisle is by reason of the use of a "brain trust"?

Mr. DITTER. I am trying to pay you a compliment. There is no condemnation intended in this at all. If the gentleman will just bear with me, I think he will find my words are not only commendatory in every way but that I will compliment the party with which the gentleman is identified because of the spiritual conceptions in connection with Jefferson Island. I hope the gentleman will bear with me.

As the material-mindedness of the present administration is impressed upon us, as the complete disregard of spiritual values is so glaringly evident, it is most refreshing and gratifying to note that you have turned at last to Biblical words in the hour of your need as you seek to rechristen your haven at Jefferson Island. The conference report, inspired no doubt by your leaders, calls it "a harbor of refuge."

Jefferson Island has become a national shrine. Jefferson Island is now an institution. Jefferson Island was little known prior to a certain meeting you men had there a short time ago. It was there that the 3-day love feast was held. It was there that refractory Members of this and another body were to be wooed and won.

In view of the importance which Jefferson Island has assumed to all of you, in view of the place of endearment that it has in the hearts of my brethren on the other side of the aisle, in view of its significance in the history of the Democratic Party, it is but natural that you are eager to have the Government provide an easy passage to it. But the beautiful thing is the poetic thought which prompted you to rechristen it as "a harbor of refuge."

I hope no one will charge me with sacrilege when I think of the lines that come to me from the days of my boyhood in Sunday school:

Other refuge have I none,  
Hangs my helpless soul on Thee.  
Leave, oh, leave me, not alone,  
Still support and comfort me.

That is a beautiful thought. After the effort that was made for the cavorting of some kindred souls at Jefferson Island, and after the large amount of refreshment that was provided, or at least which I understand was provided, in order that kindred souls might warm themselves with other things than atmosphere, it is indeed gratifying to note that your souls were stirred; that impressions of such a deep and lasting character were made as to prompt you to such a beautiful flight of poetic fancy that you want posterity to know what it meant to you by calling it "the harbor of refuge." Truly, one can realize how sorely you need a harbor of refuge for your troubled souls. Souls are being torn by anguish, not only day by day but hour by hour, by the torments with which you are faced, and now you find some place, some spot, where you can pour out your burdened souls and try to find some relief.

I commend you, and my commendation rings with sincerity as I say to you Democrats that I am happy for the spiritual change which has taken place by which they have gone back to the old Sunday-school lines in labeling this place of yours down at Jefferson Island as a harbor of refuge. Note the significance and applicability of those lines, "Leave, oh, leave me not alone." Is there a possible loneliness in your hearts? And yet again those lines, "Still support and comfort me." I am not surprised that you need comfort now and that you are concerned about support. You have certainly had a lot of support in the last few years. I have hopes for the harbor of refuge. I remember the mercy seat, for instance, about which the old evangelists talked. I do hope that to your troubled souls this Jefferson Island will be a mercy seat where you cannot only pour out in contrition the burden that weighs you down, but where, as the result of this unburdening of your souls, there may come to you peace. Oh, how you must crave solace and refuge.

It comes to my mind from the old book that there were cities of refuge in days gone by. The Bible speaks of cities of refuge. Governor PIERCE here, bless his soul, a good Democrat, nods his head in accord with my statement that there were cities of refuge. The cities of refuge were the places to which those who were distressed and persecuted might flee and find relief. Again, bless his soul, the Governor nods approval and adds his word of commendation. I am wondering whether you men want this city of refuge down there for that purpose, whether this city of refuge will be a place where you can get away from persecution, where in your distress you can flee for relief. There your conscience can be put at ease. There those of you who have shown such splendid courage, and God bless you for it, may be safe from this persecution, this recrimination, this reprisal, and from these efforts that have been binding you down, circumscribing not only your ambitions but your very hearts and souls. Surely you men of courage need a harbor of refuge; and I want to help you secure a place of safety.

It is a fine day that dawns today for your party. [Applause.] Your distressed and troubled members are to have a harbor of refuge. A new hope comes to me with respect to the future of your party. Oh, how happy I am to think that you are going to have places of refuge, where those honest souls, those courageous souls, those souls on your side who have a sense of duty, may feel safe from all recrimination and reprisal. God bless Jefferson Island as a harbor of refuge. God bless the man who conceived the idea of "the harbor of refuge." God bless the man in whose heart was the inspiration to provide a channel. Oh, I want to say a word about the channel for a minute.

Mr. PATRICK. Mr. Chairman, will the gentleman yield while I am inspired?



Mr. DITTER. The channel down there should be a safe channel.

Mr. PATRICK. Mr. Chairman, will the gentleman yield while my inspiration continues?

Mr. DITTER. I would like to get away from any of those things which would prevent a safe landing at the harbor of refuge. There should be no shoals there. There should be no rocks there. There should be nothing in that channel which might impede in any way a hasty passage, for, remember, expedition at times might be necessary. Again the lines of an old hymn come to my mind of some poor, struggling seamen seeking a safe harbor, "Let the lower lights be burning." You might want to get to your refuge in a hurry. So let us have the channel broad, let us have it deep, let us have such a channel that there will be no possible chance of anything coming in to interfere with your hasty exit from this grand city of glorious distances to that haven of safety, that harbor of refuge. I think it lacks but one thing. I wish there had been provided in addition to this harbor of refuge a boat on which you might go back and forth. I am on the Committee on Appropriations for the Navy.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

Mr. DITTER. I may be out of order, I may say to my distinguished friend, the gentleman from Oklahoma. If the gentleman wants me to close, I shall do so with a benediction now.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

Mr. DITTER. I do not yield for a parliamentary inquiry. If the gentleman wants to ask me a question, he may, but I do not yield for a parliamentary inquiry, Mr. Chairman.

Mr. PATRICK and Mr. ROMJUE rose.

Mr. DITTER. I yield to the gentleman from Alabama.

Mr. PATRICK. If we become worse, or apparently so, or if we are too well organized, there are too many of us, and we are doing too much, and this blessed land is so properly placed, will the gentleman please tell us how we can get the services of Mr. Hamilton so as to properly and quickly disperse us?

Mr. DITTER. May I answer by saying that I know nothing about Mr. Hamilton's part in a harbor of refuge.

Mr. PATRICK. No; I know that.

Mr. DITTER. This has to do with another distinguished name, which I am not going to mention, but it seems to me the inspiration of it came from a source that might have something to do with the mails. [Laughter.] Without mentioning any names, I honor him, and I honor you. There is nothing disparaging in what I say. I stand foursquare by what I said originally—that my words are words of commendation.

I am a member of the Appropriations Committee for the Navy, and I am wondering whether or not I have not a duty put upon me to have the Navy provide the vessel for your passage. It may have to be a submarine because there may have to be stealthy passages made at times in order that expeditious transit might be completed without too much detection. I want that ship well armed, for it might be that at times missiles will be cast at it so that it would have to defend itself and the occupants aboard. So I think a submarine, well armed, would be the best way to assure you the passage. Mark you, the harbor of refuge is your coveted retreat and I want to help you reach it.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield to the distinguished gentleman.

Mr. ROMJUE. The gentleman has made a wonderful address, which we have all enjoyed.

Mr. DITTER. I appreciate the compliment. I have been encouraged to do so by the nodding of my distinguished friend, Governor PIERCE.

Mr. ROMJUE. That is the very point to which I was going to allude. The gentleman has misjudged the Governor. The gentleman had him mesmerized and the Governor had gone to sleep. [Laughter.]

Mr. DITTER. I would never charge the Governor with nodding or with talking in his sleep. The Governor is one of the most wide-awake men in the House.

Mr. ROMJUE. He was thinking of the harbor you rode into with Mr. Hoover.

Mr. DITTER. No; he was nodding because of his approval of my interest and concern to help provide for those in whom he is interested a harbor of refuge. [Applause.]

Mr. HILL of Washington. Mr. Chairman, Members on both sides of the aisle have fully exhibited the purposes of the bill and have given full and sufficient reasons for its passage, and I ask that the Clerk may read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That there is hereby created a commission to be composed of three members, all of whom shall be appointed by the Secretary of the Interior, one of whom shall be a landowner and water user under a United States reclamation project. The commission is authorized and directed to investigate the financial and economic condition of the various United States reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where requested by any such district, association, or other reclamation organization, said commission shall proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial and economic condition of the various United States reclamation projects and their probable present and future ability to meet such water-right charges, shall report to the Congress, as soon as practicable, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments, with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and faithfully from year to year, during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

Sec. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries, in carrying out the provisions of this act. The commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

Sec. 3. That all the provisions of the act entitled "An act to further extend relief to water users on the United States reclamation projects and on Indian irrigation projects", approved June 13, 1935, as amended and extended by the provisions of section 3 of the act entitled "An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects", approved April 14, 1936, are hereby further extended for the period of 1 year, so far as concerns 50 percent of the construction charges, for the calendar year 1937: *Provided, however,* That where the construction charge for the calendar year 1937 is payable in two installments the sum hereby extended shall be the amount due as the first of such installments. If payable in one installment the due date for the 50 percent to be paid shall not be changed.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That there is hereby created a commission to be composed of three members appointed by the Secretary of the Interior, all of whom shall have an intimate knowledge of irrigation farming, but who shall not be employees of the Bureau of Reclamation or the Bureau of Indian Affairs of the Department of the Interior. The commission is authorized and directed to investigate the financial, economic, and other conditions of the various United States and Indian reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where deemed advisable by the commission and requested by such district, association, or other reclamation organization, said commission may proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial, economic, and other conditions of the various United States and Indian reclamation projects and their probable present and future ability to meet such water-right charges, shall report



to the Congress as soon as practicable, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments, with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and fully from year to year during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

"Sec. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries, in carrying out the provisions of this act. The commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

"Sec. 3. If upon investigation the commission shall find that a project, because of partial crop failure due to a water shortage or other causes beyond the control of the water users, is unable to make full payment of the construction charges becoming due and payable for the calendar year 1937, without great hardship or undue burden, the commission is hereby authorized to certify that fact to the Secretary, and such certification, if approved by said Secretary, shall operate to grant an extension of time for the payment of such proportion of the construction charges due for the calendar year 1937 as the commission considers just and equitable, the proportion of the charges so extended to be paid at such time as the Secretary may determine.

"Sec. 4. Sections 1 and 2 of the act approved April 14, 1936 (Public, No. 519, 74th Cong.), are hereby repealed."

Mr. ROBINSON of Utah. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ROBINSON of Utah: On page 5, line 20, strike out "\$50,000" and insert "\$30,000."

The amendment to the committee amendment was agreed to.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio to the committee amendment: On page 4, line 10, strike out the period after the word "Interior" and insert a comma and the following: "and shall have no financial interest in the matters coming under their jurisdiction."

Mr. HILL of Washington. Mr. Chairman, the committee accepts the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 413) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, pursuant to House Resolution 305, he reported the same back to the House with an amendment agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House heretofore made, the gentleman from Michigan [Mr. ENGEL] is recognized for 30 minutes.

#### SOCIAL SECURITY

Mr. ENGEL. Mr. Speaker, history will record the social-security law as either the most colossal success or the most colossal failure of the age. President Roosevelt sees in it the outstanding accomplishment of his administration. The opponents of the law see in it nothing but socialism and radicalism, and predict for it dismal failure. The worker sees in it security for himself and his family, and hopes it will banish poverty which he knows will come with old age. Some

believe in it blindly and hope for its Utopian success; others, professing friendship, would secretly give it the "kiss of death."

To me it has meant the beginning of a law which, if perfected, will eliminate much poverty and will bring about greater economic and social justice to the worker and his family.

To eliminate the age-old specter of poverty; to make the aged independent through the payment of annuities; to provide wages during periods of unemployment; to provide for death benefits; to care for the blind and helpless; to protect the health of expectant mothers; to help sick, crippled, dependent, and delinquent children; to provide for vocational rehabilitation; to protect the public health—these and many more worth-while objectives will make this act, if successful, the most humanitarian law of the century.

I have supported social-security legislation for years. In 1921, as a member of the Michigan State Senate, I supported bills providing for old-age pensions, mothers' pensions, employees' compensation, and similar laws. It is because I want this law to succeed; it is because there is growing in my mind a haunting fear that it is being mired slowly but surely in a political bog; it is because I can visualize the bitter disappointment in the hearts of millions at its failure who look upon it as "manna from Heaven"; it is because I fear it will prove the most colossal failure when I want to see it the most colossal success of the age, that I am pointing out what I believe to be the fatal defects in its structure, hoping against hope, that those who have the power and who are responsible for its success or failure will join me in eliminating these defects and make it the outstanding humanitarian law of the age.

I shall propose a plan which I believe will take from the shoulders of the worker, taxpayer, and general public, \$26,307,520,000 of the \$46,641,100,000 reserve fund and \$1,119,386,400 of the \$3,000,000,000 required annually to pay benefits and pay these sums out of productive enterprise. I further believe my plan will strengthen instead of impair public credit and will bring about recovery in times of depression and help avoid depression in times of prosperity.

In criticizing the act, let us see first what the old-age annuity section of the Social Security Act will cost, and who will pay that cost under the present law. Who will have contributed the reserve fund of \$46,641,100,000, and is that reserve fund necessary or is it as has been said, "fantastic and unnecessary and a menace to free institutions"? Can we have social security without a reserve fund? Who will pay the \$3,000,000,000 annually that will be required to meet the proposed benefits in 1980 and thereafter? How will it operate in times of prosperity and in times of depression? Will it meet the test and pay benefits when pay rolls and national income are at a minimum as during the past 7 years? How would it have operated had it been passed in 1874 and in full force and effect in 1929 instead of being passed in 1935 and in full force and effect in 1980? These and many other questions should be answered now.

#### WHO PAYS FOR SOCIAL SECURITY UNDER THE PRESENT ACT?

The Social Security Act provides for a reserve fund by 1980 of \$46,641,100,000. This fund will have been paid in as follows:

(a) Interest at 3 percent on Government bonds held by Social Security Board.....	\$32,884,400,000
(b) 3-percent pay-roll taxes paid by employers.....	6,878,350,000
(c) 3-percent pay-roll taxes paid by employees.....	6,878,350,000
Total.....	46,641,100,000

The employer will add his 3-percent pay-roll tax amounting to \$6,878,350,000 to the cost of production and pass it on to the consuming public. The public will also pay in taxes and increased costs the \$32,884,400,000 interest charges that will have been paid on the Government bonds and which will go to make up the reserve fund. So the public will have paid directly and indirectly a total of \$39,762,750,000 of the \$46,641,100,000 reserve fund. The remaining \$6,878,350,000 will have been paid by employees in pay-roll taxes which cannot be passed on.



The Social Security Board estimates that by 1980 we will have a population of 155,000,000 people and that 34,775,000 employees will be subject to the pay-roll taxes of the present law. There are approximately 2.5 persons for each adult who comes under the law. So approximately 87,000,000 people, or 56 percent of the total population of 1980, can be classified as beneficiaries under the act and 68,000,000 or 44 percent as nonbeneficiaries.

The nonbeneficiary class will have paid into the fund by 1980 44 percent of \$6,878,350,000 or \$3,026,474,000 in employers' pay-roll taxes passed on to the public, plus 44 percent of the \$32,884,400,000 interest on public bonds levied as taxes, direct or indirect, or \$14,469,136,000 in interest, making a total of \$17,495,610,000.

The 87,000,000 people classed as beneficiaries will have paid into the reserve fund by 1980, \$6,878,350,000 in pay-roll taxes which the employee cannot pass on, plus 56 percent of \$6,878,350,000 or \$3,851,876,000 employers' pay-roll tax which will be passed on, plus 56 percent of \$32,884,400,000 interest on bonds in the reserve fund, which interest will amount to \$18,415,264,000 and which will be, of course, paid by the consuming public. The beneficiary class will thus pay a total of \$29,145,490,000.

First we tax the worker \$6,878,350,000 in pay-roll taxes to make up the reserve fund. Then we lend that reserve fund to the Government which spends it and places its bonds into the fund. Then we tax the workers again to the tune of \$18,415,264,000 to pay interest on the money that belongs to him, and to cap the climax we make him pay \$3,851,876,000 more which his own employer has passed on to him in increased costs.

Forty percent of the goods produced in America are consumed by the farmer, so the farmer will pay 40 percent of the \$39,762,750,000 of the public's share of the reserve fund which will have been passed on to him in taxes, direct and indirect, and in increased costs. In other words, he will contribute \$15,905,100,000 toward this reserve fund so the worker may have social security for himself and family, while the farmer and his family do not come under this phase of the act and have no social security.

#### WHO PAYS THE ANNUAL BENEFITS UNDER THE PRESENT ACT?

On and after 1980 the beneficiaries of the Social Security Act will receive \$3,000,000,000 annually in benefits. This amount will be paid into the fund as follows:

(a) The public pays through taxation or increased costs 3-percent interest on \$46,641,100,000 United States bonds held by the reserve fund, amounting annually to.....	\$1,399,233,000
(b) The public pays each year in increased costs the employers' share of the pay-roll tax amounting to.....	\$800,383,500
The public pays annually a total of.....	2,199,616,500
(c) The employee pays in pay-roll taxes which he cannot pass on to the public the balance of.....	800,383,500
Making a total of.....	3,000,000,000

Or,

(d) 1. The beneficiary pays \$800,383,500 in pay-roll taxes.....	800,383,500
Plus 56 percent of his share as a consumer of \$2,199,616,500 which the public pays, or.....	1,231,785,240
Beneficiary pays total of.....	2,032,168,740
2. Nonbeneficiary will pay in increased costs and taxes 44 percent of the public's share of \$2,199,616,500, or.....	967,831,260
Making a total of.....	3,000,000,000
(e) The farmer as part of public paying 40 percent of increased costs and taxes will pay annually 40 percent of the public share of \$2,199,616,500, or \$879,846,600 from which he receives no direct benefit.	

#### THE VANDENBERG PROPOSAL

Among the remedies suggested was one proposed when, on the 29th of January 1937, Hon. ARTHUR H. VANDENBERG, the very able and distinguished Senator from Michigan, introduced a resolution proposing to amend the Social Security

Act and place it on a pay-as-you-go basis. On March 17, 1937, Senator VANDENBERG, in discussing the law on the floor of the Senate, said:

We submit such a reserve is unnecessary in a tax-supported system; that its ultimate accumulation of \$47,000,000,000 in reserve is a positive menace to free institutions and to sound financing.

Again he said:

There is no analogy between the need for private insurance companies for full reserves and the need of the Government system for full reserves. The former are at the mercy of fluctuating revenues. The latter is compulsory and is guaranteed a continuous flow of revenue.

The Senator advocated a repeal of the full-reserve plan and a substitution of a direct pay-as-you-go system with only a small contingent reserve. He does not state the amount of the reserve nor the ratio of the reserve to the total risk carried.

First let me correct the distinguished Senator. The Social Security Board does not propose to carry a full reserve but only a reserve of two-thirds of that which private insurance companies would be required to have were they to carry the same risk. The Vandenberg proposal is not an insurance plan. When you eliminate the reserve fund and pay as you go, it ceases to be insurance. The very word "insurance", especially when applied to life or annuity insurance, presupposes that the insured sets aside in a reserve fund part of his earnings during his younger years when his earning capacity is greatest, which money together with accumulations of interest will give protection and security to himself and his family when he reaches an age when his earning capacity is small or gone or at his death. In the case of the Social Security Act the amount paid in for the benefit of the employee is matched by the employer, and of course doubles the amount that can be paid in annuities. This part of the law is, in my judgment, sound.

Let us see where the Vandenberg plan would leave us, first in times of prosperity and second in times of depression. When the present Social Security plan is in full force and effect in 1980, it will pay annually \$3,000,000,000 in benefits to its members. It will derive this amount each year from three sources—\$800,383,500 from a 3-percent pay-roll tax from the employees, \$800,383,500 from a 3-percent pay-roll tax from the employers, and the remainder of \$1,399,233,000 from interest paid on bonds purchased with accumulated moneys in the reserve fund. The last sum would, of course, have to be raised by taxation. Just how would the proponents of the so-called pay-as-you-go plan raise this \$3,000,000,000 annually?

It will require a combined 6-percent pay-roll tax to raise \$1,600,767,000. The proponents certainly could not cut down the pay-roll tax. If they did, how would they replace the lost revenues? How would they raise the \$1,399,233,000 annually that will be paid into the fund through interest on reserves when they have no reserve? If they would raise it by pay-roll taxes, the 6-percent combined pay-roll tax would be increased to 12 percent. If they would raise it by taxation "in a tax-supported system", as the statement seems to imply, then the two plans would be very much the same as far as this part of the fund is concerned. In each case the people would pay \$1,399,233,000 additional taxes. Under the Vandenberg plan they would have nothing for their money while under the present plan they would be raising that amount to pay interest on \$46,641,100,000 reserve fund, and would have the use of that fund in return for the interest paid. Under the pay-as-you-go plan, there would be, of course, no reserve fund.

The proponents of the pay-as-you-go plan, like the mutual life-insurance companies of old, would pay small pay-roll taxes now, while the majority of the members are young and under compensable age. As the years rolled by and more men were added to the annuity list, the pay-roll taxes would become higher, reaching a maximum in 1980 when the \$3,000,000,000 in annual benefits will have to be paid. The pay-roll tax would then be 12 percent instead of 6 percent,



unless a part of the amount necessary for benefit payments was raised from direct taxation. Let me remind the proponents of the pay-as-you-go policy without adequate reserves, of our experience in the field of mutual fraternal life insurance a few years ago.

These companies were organized on a pay-as-you-go basis without adequate reserves. The death rate was low because only young people, as a rule, joined, hence both the losses and the premiums were low. These companies levied assessments only large enough to meet current losses. Time passed. As members became older the death rate increased, and with it came larger losses and higher premiums. Some States compelled these companies to reorganize and provide for adequate reserves through increased premiums. Other companies saw the handwriting on the wall and voluntarily increased their reserve funds and of course their premiums before it was too late. A few companies went on blindly on a pay-as-you-go basis without adequate reserves. As losses became greater, premiums increased. As premiums increased new policyholders became fewer and old policyholders dropped out until the cost of carrying insurance on a pay-as-you-go basis became prohibitive. Those policyholders who, from an insurance standpoint, were unfortunate enough to live longest found they had paid insurance for those who had passed on, and suddenly learned they were without protection for themselves and their families when the carrying cost became prohibitive. This was an experience in pay-as-you-go insurance without adequate reserves we should not soon forget. The Vandenberg proposal would, I fear, operate in the same way.

Let us consider now what would happen under the pay-as-you-go policy in times of depression. Let us assume that we are in 1980, operating with full benefit payments of \$3,000,000,000 annually, and a depression came along.

Let us assume further that as in the recent depression national income and national pay rolls dropped 50 percent. The other 50 percent of the employees who held their jobs and their employers would have to meet the entire \$3,000,000,000 in pay-roll taxes, which would require, according to present estimates, a combined pay-roll tax of 24 percent unless supported in part by taxation. In view of the fact that during the past 7 years of depression expenditures of the Government exceeded revenues by \$22,247,436,471, it would be hopeless to try to raise \$1,399,323,000 annually by taxation. This amount would be required over and above the present pay-roll tax to meet benefits. The result would be that we would, as under the present plan, have to borrow this \$1,399,323,000 each year, issuing Government bonds for the same or increase the pay-roll tax to 24 percent. The one definite advantage which the Vandenberg plan would have is that the Government would not be obligated to pay the \$46,641,100,000 reserve fund and Government credit would, of course, be stronger.

Again, during the period of depression, the Government expenditures exceeded its revenues by \$22,247,436,471, which amount the Government was compelled to borrow. During this same time 342 private life-insurance companies increased their reserves from \$9,926,515,486 to \$20,404,206,344, their total assets from \$11,537,614,609 to \$23,216,495,614, and their annual income from \$3,017,800,322 to \$5,072,095,267. In the face of these facts, who, may I ask, is more "at the mercy of fluctuating revenues", the Government with its "tax-supported system" and "its continuous flow of revenue", or the private insurance companies with their private sources of income? Who has the greater need for a reserve fund? The Government whose expenditures exceeded its income by more than \$22,000,000,000, and who was compelled to borrow this amount or these private insurance companies who doubled their income, doubled their assets, and doubled their reserve funds?

IS A \$47,000,000,000 RESERVE FUND FANTASTIC?

The Social Security Act provides for the building up of a reserve fund which will reach an estimated maximum amount of \$46,641,100,000 in 1980. The able and distin-

guished Senator from Michigan, in a speech delivered in the Senate on March 17, 1937, said:

The whole reserve fund ultimately becomes \$47,000,000,000—the most fantastic and the most indefensible objective possible.

The Social Security Board, on the other hand, contends that this reserve fund is not fantastic; that the amount is only two-thirds of that required by law of private insurance companies, were they to carry the same risk; and that it is the minimum necessary if we are to have a sound social-security policy to protect the aged of our land. The facts seem to bear them out.

Records of 342 life-insurance companies show that on December 31, 1925, they carried a total insurance of \$71,598,749,690 and a total reserve fund of \$9,926,515,486. These records further show that on December 31, 1935, these same companies carried a total insurance of \$102,730,415,016, an increase of 43.5 percent, and a total reserve fund of \$20,404,206,344, an increase of 105.5 percent, during this 10-year period. If they were to maintain this same increase every 10 years, they would have a reserve fund in 1980 of more than \$400,000,000,000 and would carry a total insurance of more than \$500,000,000,000. This would be not only fantastic but unnecessary in view of the fact that the reserve fund would amount to 80 percent of the total insurance carried. However, let us take more conservative figures and assume that the total insurance and total reserve fund increased 2 percent each year, or 20 percent every 10 years. In 1980 these companies would be carrying \$234,324,104,038 insurance and a reserve fund of \$46,539,516,516. Since these reserves increased \$10,500,000,000 during the 10-year period from December 31, 1925, to December 31, 1935, an increase of less than \$27,000,000,000 during the next 45 years could not be considered unreasonable. While the \$46,641,100,000 estimated reserve fund to be carried by the Social Security Board in 1980 may sound fantastic to one who has not studied the problem thoroughly, a consideration of the facts forces one to the conclusion that such a reserve fund is not fantastic, nor indefensible, but conservative, practical, and absolutely essential to a sound social-security policy.

HAS SWEDEN ABANDONED HER SOCIAL SECURITY RESERVE FUND IN FAVOR OF A PAY-AS-YOU-GO POLICY?

The statement was made at the hearing before the Senate Committee on Finance on February 26, 1937 (p. 14), that Sweden has abolished the reserve fund of her social-security system in favor of a pay-as-you-go system. The facts do not bear out that statement. In comparing the reserve fund of the Swedish social-security system with that of the United States, one must take into consideration the population of the two countries, the amount of annuities paid per person per month, and the total maximum reserve carried by each fund.

Under the Swedish plan the social-security fund will reach a maximum of 1,000,000,000 kronor by 1952. The normal exchange of the krona is 27 cents. The present rate of exchange is slightly lower. On billion kronor at the normal rate of exchange would be \$270,000,000 in American money. While this may seem like a nominal reserve fund, particularly to those who have been in the habit of thinking in terms of billions, when we analyze the facts and take into consideration the difference in the population and the difference in the amount of annuities paid, we are forced to the conclusion that Sweden has not adopted a "pay as you go" basis, but actually has a substantial reserve fund. When we take into consideration the further fact that the Swedish system combines title 1 of our Social Security Act, which we call an old-age assistance plan, and in which no pay-roll taxes are levied, with title 2 or the Federal old-age benefit plan, which does levy a pay-roll tax, then we are forced to the conclusion that their reserve fund is as large or larger than ours.

The present population of Sweden is approximately 6,000,000, and it is estimated that 4,000,000, or approximately 66½ percent of the people, benefit under their social-security act. The last published figures issued by the Bureau of the



Census on October 28, 1936, give the estimated population of the United States as 128,429,000 people. It is estimated that 56 percent, or approximately 72,000,000 people, will benefit by the United States Social Security Act. This is 18 times as many beneficiaries as come under the Swedish act. Thus if Sweden were compelled to pay 18 times as many people as they are now paying under their act, they would require a reserve fund of 18,000,000,000 kronor instead of 1,000,000,000 kronor.

Again, the monthly benefits paid under the Swedish act are very small, ranging as low as \$1.62 to \$3.76 per month per person, if such person has \$10.36 or more per month of other income. If such person has no such other monthly income, the pension payable in Sweden ranges from \$7.35 to \$9.50 per month per person. It has been estimated that Sweden pays on an average of \$7.50 per month per person, which, I believe, is a fair estimate. When the Social Security Act is in full force and effect, the United States will pay an average of \$45 a month per person, or six times as much as Sweden. If Sweden paid an equal amount, or six times as much per person as she now pays, she would require six times 18,000,000,000 kronor, or a total of 108,000,000,000 kronor, in her reserve fund. Translated into terms of dollars and cents, at the normal rate of exchange, she would require a reserve fund of \$29,160,000,000 by 1952, were she to pay as many beneficiaries and as much per month as the United States pays. This is far from a nominal reserve fund.

When you take into consideration the further fact that the Swedish plan covers both what we call title I and title II of our act, it makes our reserve fund of \$46,641,100,000 look conservative.

WHAT WOULD HAVE HAPPENED HAD THE SOCIAL SECURITY ACT BEEN IN FULL FORCE AND EFFECT IN 1929?

"The proof of the pudding lies in the eating", is an old saying. Let us assume, for the sake of argument, that the present Social Security Act had been passed in 1874, instead of 1935, and that it was in full force and effect, with a full reserve fund, in 1929 when the depression came. What would have happened? The Social Security Board, according to the estimates, would have been obligated to pay the beneficiary class \$3,000,000,000 annually. The Board would have expected to derive that amount as follows: One billion three hundred ninety-nine million two hundred thirty-three thousand dollars from the Government through taxation, being 3 percent interest on the reserve funds invested in Government bonds. The remaining \$1,600,767,000 would have to be obtained from pay-roll taxes—one-half from the employer and one-half from the employee.

Our national income and pay rolls were reduced 50 percent. Assuming that the Government had been able to pay its share or the interest charge on the bonds, which it was not, the Social Security Board would have to place on the market each year \$800,000,000 in Government bonds held by the fund, par value, to meet the deficiency in the pay-roll tax. The total receipts of the Government during the 7 fiscal years beginning June 30, 1930, and ending June 30, 1937, were \$27,316,017,408, including more than \$252,000,000 in pay-roll taxes under the Social Security Act. The Government disbursed during that period \$49,563,453,879, and had to borrow or obtain from sources other than taxation during the 7-year period \$22,247,436,471 to cover these deficits. Had the Social Security Board been operating during that time the Government would have had to borrow each year during that 7-year period \$1,399,233,000, or a total of \$9,794,691,000, to meet the interest charge. In other words, the Government would have gone into the depression with a public debt of \$46,641,100,000 and would have had to borrow in addition \$32,042,127,471 to meet this interest charge and these deficits, which would have made a total public debt of \$78,683,227,471. We would have spent the \$46,641,100,000 reserve fund in times of prosperity and would have been in bankruptcy and unable to raise money for relief and excess operating expenses in times of depression. If we had been able to obtain this money at 3 percent, which is doubtful, the carrying charge of this debt alone would amount to \$2,360,496,624 annually. The fact is

that any financing such as this would have been out of the question. The interest on Government bonds held by the Social Security Board would have defaulted and there would have been no social security. If an attempt had been made to make current bond issues more attractive by raising the interest rate, we would have depreciated the value of the 3-percent bonds held by the Social Security Board and would have had to take a loss and market more of these bonds to meet the annual deficit of \$800,000,000 in pay-roll taxes.

I am not attempting to kill the Social Security Act. I am merely trying to keep it from committing suicide. It is because I believe in social security that I am pointing out these defects. I believe the friends of social security, of whom I claim to be one, ought to save it not only from destruction by its enemies but from self-destruction. Are we not forced to admit that under the present social-security system social security cannot succeed? That we cannot hope to raise \$1,399,233,000 annually in taxes in addition to the regular revenues required for the Government, particularly in times of depression, ought to be self-evident. Ought not we frankly to admit that we could not have borrowed this interest money plus relief money plus deficiency in revenues during the period of the past depression had we had a national debt of \$47,000,000,000 to begin with without paying exorbitant rates of interest? Should we not frankly admit that to sell bonds at an increased rate of interest would have wrought havoc with the value of the 3-percent bonds held by the Social Security Board? Why stick our heads into the sand like an ostrich while social security in America is going to certain ultimate destruction? Why not try to work out some solution of this great problem?

#### REMEDY

What, then, is the solution of this perplexing problem? It has been my purpose to criticize in a constructive, friendly way. One should not attempt to tear down a structure if it has some value, despite some defects, unless one is prepared to build a better one. "What would you do if you had the power?" is a fair question.

First, I would incorporate the Social Security Board, and take it, as nearly as possible, out of politics. The Social Security Board has a most difficult task, so difficult, in fact, that it cannot succeed if it is weighted down with political barnacles. I would have a staggered commission with long terms of office and provide that no President could appoint more than two members, which would be less than a majority in any one term.

Second, I would make a trust fund of all moneys paid in and provide by law and, if possible, by constitutional provision that the moneys are to be used exclusively by the Board for the benefit of the workers who paid into the fund.

Third, I would invest the reserve fund in productive instead of nonproductive enterprise. My criticism is not directed at the amount of the reserve fund, but to the method of its investment. I would divide bonds and investments into two classes. Into the first class I would place bonds issued by the Government, whether national, State, or municipal, as direct obligations where the money borrowed is used in nonproductive enterprise, such as highways, streets, parks, buildings, and so forth. While money spent in this way provides temporary employment and may for a time speed up production, in the final analysis the interest, principal, and cost of maintenance will have to be raised by taxation, as the investment in itself is nonproductive. Money spent in nonproductive enterprise is a handicap eventually to recovery in times of depression and tends to bring about a depression in times of prosperity.

Into the second class I would place bonds issued, whether private or public, for the purpose of investing the money in what I call productive enterprise. In this class of bonds the interest and ultimately the principal is paid out of production or out of newly created wealth.

#### ILLUSTRATIONS

First, A public utility, whether owned privately or publicly, issues its bonds. The money is spent building a power dam. The dam produces electricity. The electricity is sold



to the consumer. With the money realized from its sale the company pays the interest and ultimately the principal of the bond issue.

Second. A farmer borrows money from the Federal land bank or from private sources with which to purchase a farm. He grows crops, thereby producing new wealth. He sells the crops and with the money realized from the production of this new wealth he pays the interest and ultimately the principal of the mortgage.

Third. A home owner borrows money from the Home Owners' Loan Corporation, Federal Housing Administration, or from private sources with which to build, buy, or finance a home. He works in a factory. His wages are paid out of the wealth he has produced. With those wages he pays the interest and ultimately the principal of the loan.

The above are a few illustrations of what I mean by productive enterprise. The interest and ultimately the principal of this class of investments are paid out of production and not by taxation. Instead of being a handicap to recovery in times of depression they help to bring about recovery. Instead of retarding production or being a hindrance to business in times of prosperity they accelerate permanent production and help maintain prosperity. What I believe will prove ultimately to be the fatal defect in the present social-security system lies in the fact that the entire amount of the reserve fund will be invested in nonproductive enterprises, the entire annual interest charge and principal of which must be ultimately paid through taxation. Think of the burden of paying annually by taxation 3-percent interest on \$46,641,100,000 or \$1,399,233,000. We might pay it in times of prosperity but history of the past 10 years has proven conclusively that we could not have paid that amount in addition to the regular expenses of Government in times of depression.

Fourth. (a) I would provide by law for diversified investments limiting the amount of the reserve fund that could be invested in direct Federal bonds classified as non-productive investment to 10 percent, and (b) I would limit investment in State, county, and municipal bonds—nonproductive—to 10 percent.

(c) I would provide that at least 80 percent of the reserve funds would have to be invested in loans to productive enterprise specifying by law the percent (not in any event to exceed 10 percent in any one investment) to be invested in each class. A provision similar to the following is suggested:

Of the total reserve funds held by the Board not to exceed the percentages named hereinafter may be invested in the class of bonds named.

- (1) Ten percent in direct Federal obligations.
- (2) Ten percent in direct State, county, or municipal obligations.
- (3) Ten percent in electric light, power, and reclamation projects—public or private.
- (4) Ten percent in Federal land-bank loans.
- (5) Ten percent in H. O. L. C.
- (6) Ten percent in Federal housing projects.
- (7) Ten percent in loans made by the R. F. C.
- (8) Thirty percent in miscellaneous loans.
- (9) All bond issues purchased or loans made to be approved by the Federal Securities and Exchange Commission.

In other words, I would invest the social-security funds exactly as any private insurance company, private trust company, or bank would invest a private trust fund, making safety of investment the first consideration.

It is not only interesting but helpful in the solution of this problem to note that 242 American life insurance companies on December 31, 1935, showed the following investments:

1. U. S. Government, Canadian, and foreign bonds	\$3,005,760,677
2. Bonds of States, Territories, and possessions	496,206,923
3. Bonds issued by municipalities and county governments, including subdivisions of States and Territories	1,181,610,333
4. Railroad bonds, including equipment trust certificates	2,608,995,457
5. Bonds issued by public utilities	2,103,573,913
6. Industrial and miscellaneous bonds	570,786,562
7. Invested in stocks	514,380,414
8. Invested in farm and other mortgages	4,298,930,601

Total investments..... 14,780,244,880

With the exception of items 1, 2, and 3, the principal and interest of these bonds are being paid out of production.

Let us see how my plan would work out. The present act provides for a reserve fund, as stated heretofore, of \$46,641,100,000 by 1980. Under my plan, this fund will have been paid in as follows:

*Paid by public in taxes and increased costs*

(A):	
1. 3-percent interest on 10 percent of reserve fund invested in United States bonds annually to 1980	\$3,288,440,000
2. 3-percent interest on 10 percent of reserve fund invested in State and municipal bonds annually to 1980	3,288,440,000
3. 3-percent pay-roll tax passed on to public by employer in increased costs	6,878,350,000
Total paid by public	13,455,230,000
(B) 3-percent pay-roll tax paid by employee and beneficiaries which cannot be passed on	6,878,350,000
(C) Paid into the fund in interest on obligations invested in business and paid out of production 80 percent of the total interest of \$32,884,400,000 paid into fund	26,307,520,000
Total reserve fund	46,641,100,000

Or,

(D) Under my plan the beneficiary class pays a total amount of reserve fund, including his pro-rata share of increased costs and taxation, as follows:	
1. He pays 3-percent pay-roll tax which he cannot pass on	6,878,350,000
(E) He pays, as a consumer, in increased costs and direct and indirect taxes 56 percent of the public share of \$13,455,230,000, or	7,534,928,800
Total share of reserve fund contributed by beneficiaries	14,413,278,800
(F) General public, not beneficiaries, pay 44 percent of \$13,455,230,000, as public's share, or	5,920,301,200
(G) Investing public pays out of productive enterprise 80 percent of \$32,884,400,000 interest that goes to make up reserve fund, or	26,307,520,000
Making the total reserve fund	46,641,100,000

The Social Security Act, it is estimated, will pay annually in 1980, \$3,000,000,000 in benefits. Under the present plan this amount is paid as follows:

Consuming public will pay:	
(1) (a) 3-percent interest on \$46,641,100,000 reserve fund	\$1,399,233,000
(b) Paid in pay-roll taxes by employer (passed on to consumer)	800,383,500
Total paid by consumer	2,199,616,500
(c) Paid in pay-roll taxes by employer (not passed on)	800,383,500
Making total of	3,000,000,000
(2) (a) The beneficiary pays \$800,383,500 in pay-roll taxes	800,383,500
(b) Plus 56 percent of his share as a consumer of \$2,199,616,500 which the public pays, or	1,231,785,240
Beneficiary pays total of	2,032,168,740
(c) Nonbeneficiary will pay in increased costs and taxes 44 percent of the public's share of \$2,199,616,500, or	967,831,260
Making total of	3,000,000,000
(3) (a) Under proposed plan 20 percent of reserve fund will be invested in National, State, and municipal bonds (nonproductive enterprise), and public will pay 20 percent of \$1,399,233,000 interest	279,846,600
(b) Public will pay employers' pay-roll tax passed on to consumer	800,383,500
Total paid by consuming public	1,080,230,100
(c) Employees will pay their pay-roll tax not passed on	800,383,500
(d) Interest 3 percent on 80 percent of \$46,641,100,000 reserve fund will be paid by productive enterprise	1,119,386,400
Total	3,000,000,000



Or,	
(a) Beneficiary class pay, pay-roll tax of \$800,- 383,500, plus 56 percent consumers' share of \$1,080,230,100, or total of	\$1,405,312,356
(b) Nonbeneficiary class pay 44 percent of \$1,080,- 230,100, or	475,301,244
(c) Productive enterprise will pay 3 percent in- terest on 80 percent of reserve fund, or	1,119,386,400
Making a total of	3,000,000,000

## SUMMARY

(1) Under the present plan, \$39,762,750,000 of the \$46,641,100,000 of the reserve fund on hand in 1980 will have been paid by the public in interest, taxes, and increased costs. Under my plan \$13,455,230,000 of this reserve fund will have been paid by the public in interest, taxes, and increased costs, and \$26,307,520,000 will have been paid by productive enterprise out of production.

(2) Under the present plan the beneficiary class will pay \$29,145,490,000 of the reserve fund, including \$6,878,350,000 pay-roll tax. Under my plan the beneficiary class will pay \$14,413,278,800 of the reserve fund, including this pay-roll tax.

(3) Under the present plan the nonbeneficiary class will pay \$17,495,610,000 of the reserve fund in 1980. Under my plan they will pay \$5,920,301,200.

(4) Under the present plan the farmer, as a part of the public, will have paid \$15,905,100,000 of the reserve fund. Under my plan he will have paid \$5,382,092,000.

(5) Under the present plan the public pays in taxes and interest and in increased costs \$2,199,616,500 of the \$3,000,000,000 annual benefits paid workers on and after 1980. Under my plan the public will pay \$1,080,230,100.

(6) Under the present plan the beneficiary class will pay \$2,032,168,740 (including \$800,383,500 pay-roll taxes) of the annual benefits paid in 1980. Under my plan they will pay \$1,405,312,356, including the pay-roll tax.

(7) Under the present plan, the nonbeneficiary class will pay \$967,831,260 of the annual benefits of 1980. Under my plan, they will pay \$475,301,244 of the annual benefits. Productive enterprise will pay out of production \$1,119,386,400.

(8) Under the present plan, the farmer will pay annually as part of the consuming public \$879,846,600. Under my plan he will pay \$432,092,040.

(9) In case of depression under the present plan, the Federal Government would owe the entire \$46,641,100,000 of the reserve fund as part of the public debt. Under my plan, they would owe the reserve fund \$4,664,100,000.

(10) Under the present plan, the Federal Government would be obligated to pay annually out of taxation as interest on the reserve fund \$1,399,233,000. Under my plan they would have to pay \$139,923,300.

(11) Under my plan the average interest rate paid on reserve fund would undoubtedly be more than 3 percent as productive enterprise pays 4, 5, and sometimes 6 percent. Assuming that the fund would average 4 percent, the reserve fund could be reduced from \$46,641,100,000 to approximately \$35,000,000,000 as 4 percent on the latter amount would pay \$1,400,000,000 into the fund annually or a sum equal to 3 percent on the present proposed reserve fund of \$46,641,100,000.

(12) Under the present plan, in case of depression, the Government would have to borrow the above amount payable to the fund as interest and the pay-roll tax rate would have to be doubled to meet decreased pay rolls. Under my plan a sale of 2½ percent of the reserve fund bonds annually would replace a loss of 50 percent pay-roll taxes and of 25 percent interest charges.

Let us assume that we had a depression and that 25 percent of the interest on the bonds defaulted, amounting to \$349,808,000, and that the pay-roll taxes were reduced by 50 percent, losing \$800,383,500 more in revenue annually. In that case we would have to sell each year \$1,150,191,500 or 2.5 percent of the bonds held by the reserve fund. If these bonds were guaranteed by the Government, they could be sold at par, inasmuch as the Government would not be

carrying the entire reserve fund of nearly \$47,000,000,000 as a public debt. Much of the loss of revenue through non-payment of interest would be recovered, and the remainder of the money acquired through the sale of bonds in the reserve fund would again be replaced by normal pay-roll taxes in times of prosperity.

## CONCLUSION

In conclusion, permit me to say that I have tried to analyze every phase of this tremendous problem, with the earnest hope that I have contributed something toward its ultimate solution. I make no claim that my plan is perfect. I hope that others who have studied this subject thoroughly will find in it food for thought. As I have not hesitated to criticize the present plan or other plans, so I hope that others will not hesitate to criticize my plan. Only through constructive criticism can we hope to evolve a plan which will ultimately be successful. [Applause.]

## LEAVE TO ADDRESS THE HOUSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that on Monday next, after the conclusion of business on the Speaker's desk and the legislative program for the day, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore (Mr. COSTELLO). Is there objection?

There was no objection.

## EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the point following the adoption of the conference report on the Bonneville project, and to include letters and correspondence with General Markham, Chief of Engineers of the Army, and other correspondence.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Dr. Walker, president of Wilberforce University, on the subject of President Roosevelt, Minimum Wage, and the Negro.

The SPEAKER pro tempore. Is there objection?

Mr. KNUTSON. Mr. Speaker, I reserve the right to object. The understanding has been that no extraneous matter is to be placed in the RECORD; nothing but the remarks of Members.

Mr. SWEENEY. These are my own remarks, and it will take less than two pages. It is very enlightening.

Mr. KNUTSON. I am sure it must be.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. SWEENEY]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'NEAL of Kentucky, indefinitely, on account of official business.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of



commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes; to the Committee on Military Affairs.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; and

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 2260. An act to provide for intervention by the United States direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions in certain cases involving the constitutionality of acts of Congress, and for other purposes.

#### ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 42 minutes p. m.) the House adjourned until tomorrow Friday, August 13, 1937, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

797. Under clause 2 of rule XXIV a letter from the Attorney General of the United States, transmitting the draft of a bill to permit appeals by the United States to the circuit courts of appeals in certain criminal cases, was taken from the Speaker's table and referred to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TEIGAN: Committee on the Public Lands. S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota; without amendment (Rept. No. 1509). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. H. R. 8125. A bill to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick; with amendment (Rept. No. 1510). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on Indian Affairs. H. R. 6042. A bill making further provision with respect to the funds of the Metlakatla Indians of Alaska; with amendment (Rept. No. 1511). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia; without amendment (Rept. No. 1515). Referred to the House Calendar.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 191. Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia; without amendment (Rept. No. 1516). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. S. 1282. An act to amend Articles of War 50½ and 70; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 1283. An act to increase the extra pay to enlisted men for reporting; with amendment (Rept. No. 1518). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 6904. A bill to grant restoration of pension to Nora J. Buchanan; with amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. SOMERS of New York: Committee on Invalid Pensions. H. R. 3580. A bill granting an increase of pension to Georgiana Furey; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 6884. A bill to grant restoration of pension to Viola L. Buchanan; with amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WEST: A bill (H. R. 8224) to amend paragraph 1606 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. VOORHIS: A bill (H. R. 8225) to amend title VI of the Social Security Act to provide for the prevention of the spread of disease in the United States; to the Committee on Ways and Means.

By Mr. BARRY: A bill (H. R. 8226) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation to 3½ percent, and to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 20 years; to the Committee on Banking and Currency.

By Mr. BROOKS: Resolution (H. Res. 307) directing the Chairman of the Federal Home Loan Bank Board to transmit to the House the total number of mortgages and liens secured by the Home Owners' Loan Corporation in the State of Louisiana, and for other purposes; to the Committee on Banking and Currency.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CITRON: A bill (H. R. 8227) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 8228) granting a pension to Frank N. Curtiss; to the Committee on Pensions.

By Mr. REECE of Tennessee: A bill (H. R. 8229) granting a pension to Leon J. Collins; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3230. By Mr. CURLEY: Petition of Local 802, American Federation of Musicians, Associated Musicians of Greater New York, New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3231. Also, petition of the Interstate Airways Committee, urging enactment of the McCarran-Lea bill for air-transport regulation; to the Committee on Interstate and Foreign Commerce.

3232. By Mr. KINZER: Petition of the citizens of Lancaster County, Pa., urging Congress to enact the old-age pension bill as embodied in House bill 2257; to the Committee on Ways and Means.

3233. By Mr. MASSINGALE: Petition of the Greer County, Okla., cotton growers; to the Committee on Ways and Means.

3234. By Mr. CLASON: Petition of the Board of Selectmen of the town of Wilbraham, Mass., requesting Congress to give immediate consent to the Connecticut River interstate flood-control compact as approved by the Legislatures of Connecticut, New Hampshire, Vermont, and Massachusetts; to the Committee on Interstate and Foreign Commerce.



3235. By Mr. COFFEE of Washington: Petition of the Seattle Local, No. 28, National Federation of Post Office Clerks, affiliated with the American Federation of Labor, urging that whereas the adult-education program of the Works Progress Administration and the Workers' Education Department thereof has been such an important and integral part of the educational function of the trade-union movement in the State of Washington for the last 2 years and that in order to meet the great demand for this type of education the program should be enlarged with assurance of tenure for the teachers employed; to the Committee on Appropriations.

3236. By Mr. SANDERS: Resolution of E. A. Madera and others of Plainview, Tex., recommending that a loan be placed on farm products guaranteeing parity price to producers, etc.; to the Committee on Agriculture.

3237. By Mr. KEOGH: Petition of the Northeastern Poultry Producers' Council, Inc., Washington, D. C., concerning certain amendments to the Black-Connery bill; to the Committee on Labor.

3238. By Mr. PFEIFER: Petition of the Northeastern Poultry Producers' Council, Washington, D. C., concerning certain amendments to the Black-Connery bill; to the Committee on Labor.

3239. Also, telegram of the International Association of Firefighters, Vincent J. Kane, president, Local 94, New York City, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

3240. By Mr. KEOGH: Telegram of Vincent J. Kane, president, Local 94, International Association of Firefighters, New York, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

## SENATE

FRIDAY, AUGUST 13, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 12, 1937, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 413) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, with an amendment, in which it requested the concurrence of the Senate.

### CALL OF THE ROLL

Mr. LEWIS. Mr. President, the able chairman of the Committee on Finance is presenting a bill that requires the presence of a quorum. I suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Glass	Lodge
Andrews	Byrnes	Green	Logan
Ashurst	Capper	Guffey	Lonergan
Austin	Caraway	Hale	Lundeen
Barkley	Chavez	Harrison	McAdoo
Berry	Clark	Hatch	McCarran
Bilbo	Connally	Herring	McGill
Black	Copeland	Hitchcock	McKellar
Bone	Davis	Holt	Maloney
Borah	Dieterich	Hughes	Minton
Bridges	Donahay	Johnson, Calif.	Moore
Brown, Mich.	Ellender	Johnson, Colo.	Murray
Brown, N. H.	Frazier	King	Neely
Bulkley	George	La Follette	Norris
Bulow	Gerry	Lee	Nye
Burke	Gillette	Lewis	O'Mahoney

Overton	Schwartz	Steiwer	Van Nuys
Pepper	Schwellenbach	Thomas, Okla.	Wagner
Pittman	Sheppard	Thomas, Utah	Walsh
Pope	Shipstead	Truman	White
Radcliffe	Smathers	Tydings	
Reynolds	Smith	Vandenberg	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Iowa [Mr. HERRING] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague, the junior Senator from Vermont [Mr. GIBSON], having been appointed a member of the committee to attend the dedication of the battle monuments in France is absent on that official duty.

The Senator from Delaware [Mr. TOWNSEND] is necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

### CONSERVATION AND UTILIZATION OF AQUATIC LIFE—APPOINTMENT OF SPECIAL COMMITTEE

The VICE PRESIDENT. The Chair appoints the Senator from Washington [Mr. SCHWELLENBACH], the Senator from Connecticut [Mr. MALONEY], the Senator from Oklahoma [Mr. LEE], the Senator from Maine [Mr. WHITE], and the Senator from Massachusetts [Mr. LODGE], as the members of the special committee to investigate matters relating to the conservation and utilization of aquatic life, authorized by Senate Resolution No. 117, agreed to August 12, 1937.

### SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 93)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for printing and binding, Office of the Secretary of the Interior, fiscal year 1938, amounting to \$50,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### SUPPLEMENTAL ESTIMATE, DEPARTMENT OF COMMERCE (S. DOC. NO. 94)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the General Committee of Accident Prevention Conference, Department of Commerce, fiscal year 1938, amounting to \$35,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### CLAIM OF H. W. ADELBERGER, JR.

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller General of the United States, transmitting his report and recommendation concerning the claim of H. W. Adelberger, Jr., against the United States, which, with the accompanying paper, was referred to the Committee on Claims.

### REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 205) providing for benefit payments to cotton producers with respect to cotton produced in 1937, reported it with amendments.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 2022) for the relief of Lt. Lorimer E. Goodwin, reported it with amendments and submitted a report (No. 1184) thereon.